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ZH INTERNATIONAL HOLDINGS LIMITED

正恒國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

PROFIT WARNING

This announcement is made by ZH International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board, it is expected that the Group will record a substantial increase in the loss attributable to owners of the Company for the financial year ended 31 December 2016 as compared to the loss of HK\$19,655,000 recorded for the corresponding nine months financial period ended 31 December 2015.

Based on the relevant information currently available to the Company, the Board considers that the substantial increase in the loss attributable to the owners of the Company were primarily attributable to (i) net loss attributable to the completion of deemed disposal of a subsidiary of the Company in relation to the offering of its shares and migration listing on the New York Stock Exchange; and (ii) decrease in fair value of held for trading investment.

The information contained in this announcement is only based on a preliminary assessment by the Board based on the latest information available and the unaudited consolidated management accounts of the Group. The audited consolidated financial results of the Group for the financial year ended 31 December 2016 have not been finalised and are subject to confirmation with auditors of the Company. Details of the Group’s performance will be disclosed in the annual results announcement of the Company, which is expected to be published around end of March 2017.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
ZH International Holdings Limited
Zhang Jingguo
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 24 February, 2017

As at the date of this announcement, the executive Directors are Mr. Zhang Jingguo, Mr. Zhang Guoqiang, Mr. Eric Jackson Chang; the non-executive Director is Ms. Huang Yanping and the independent non-executive Directors are Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao.