

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ZH INTERNATIONAL HOLDINGS LIMITED

正恒國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

DISCLOSEABLE TRANSACTION ACQUISITIONS OF LAND USE RIGHTS IN HENAN PROVINCE, THE PRC

ACQUISITIONS OF LAND USE RIGHTS

The Board is pleased to announce that on 28 November 2018, Henan Jinming, an indirect wholly-owned subsidiary of the Company, made two successful bids for the land use rights of Land Parcel I and Land Parcel II through listing for sale process in the Auction held by Land and Resources Bureau of Shangjie District, Zhengzhou City* (鄭州市上街區國土資源局) for transfer of state-owned land use rights at a consideration of RMB132,210,000 for Land Parcel I and RMB138,560,000 for Land Parcel II respectively.

Land Parcel I is located at west of Dengfeng Road and south of Baiyun Road* (登封路西側、白雲路南側), Shangjie District, Zhengzhou City, Henan Province, the PRC with a total site area of 47,846.72 sq.m. and permitted plot ratio between 1.0 and 2.0. Land Parcel I is designated for residential usage and commercial usage, with the term of 70 years for residential usage and 40 years for commercial usage.

Land Parcel II is located at east of Runan Road and south of Baiyun Road* (汝南路東側、白雲路南側) Shangjie District, Zhengzhou City, Henan Province, the PRC with a total site area of 50,148.08 sq.m. and permitted plot ratio between 1.0 and 2.0. Land Parcel II is designated for residential usage and commercial usage, with the term of 70 years for residential usage and 40 years for commercial usage.

LISTING RULES IMPLICATIONS

Taking into consideration the fact that the locations of Land Parcel I and Land Parcel II are adjacent to each other in Shangjie District, Zhengzhou City, the Board took the liberty to aggregate the First Acquisition of Land Parcel I and the Second Acquisition of the Land Parcel II. As one of the applicable percentage ratios calculated in respect of the Acquisitions under Rule 14.07 of the Listing Rules exceed 5% but is less than 25%, the Acquisitions constitute a discloseable transaction for the Company under the Listing Rules.

ACQUISITIONS OF LAND USE RIGHTS

The board (“**Board**”) of directors (“**Directors**”) of ZH International Holdings Limited (“**Company**”) is pleased to announce that on 28 November 2018, Henan Zensun Jinming Real Estate Company Limited* (河南正商金銘置業有限公司) (“**Henan Jinming**”), an indirect wholly-owned subsidiary of the Company, made two successful bids for the transfer of state-owned land use rights of two land parcels with code no. 鄭上出 [2018] - 012# (“**Land Parcel I**”) at a consideration of RMB132,210,000 (“**First Acquisition**”) and with code no. 鄭上出 [2018] - 013# (“**Land Parcel II**”) at a consideration of RMB138,560,000 (“**Second Acquisition**”), located in Shangjie District, Zhengzhou City, Henan Province, the People’s Republic of China (the “**PRC**”) through listing for sale process in the public auctions (“**Auction**”) held by Land and Resources Bureau of Shangjie District, Zhengzhou City* (鄭州市上街區國土資源局). The First Acquisition and the Second Acquisition collectively referred to as the “**Acquisitions**”. The consideration of each of the Acquisitions was determined based on the Auction documents issued by Land and Resources Bureau of Shangjie District, Zhengzhou City. The Group will finance the Acquisitions and the development of Land Parcel I and Land Parcel II with internal resources.

Land Parcel I is located at west of Dengfeng Road and south of Baiyun Road* (登封路西側、白雲路南側), Shangjie District, Zhengzhou City, Henan Province, the PRC with a total site area of 47,846.72 sq.m. and permitted plot ratio between 1.0 and 2.0. Land Parcel I is designated for residential usage and commercial usage, with the term of 70 years for residential usage and 40 years for commercial usage.

Land Parcel II is located at east of Runan Road and south of Baiyun Road* (汝南路東側、白雲路南側), Shangjie District, Zhengzhou City, Henan Province, the PRC with a total site area of 50,148.08 sq.m. and permitted plot ratio between 1.0 and 2.0. Land Parcel II is designated for residential usage and commercial usage, with the term of 70 years for residential usage and 40 years for commercial usage.

A sum of RMB132,210,000 for Land Parcel I and RMB138,560,000 for Land Parcel II have been paid as the security deposits for the Auction. Pursuant to the procedures under the listing for sale process in the Auction, within two working days following the successful bids, Henan Jinming shall submit qualification documents to Land and Resources Bureau of Shangjie District, Zhengzhou City for verification. Upon completion of the verification process, Land and Resources Bureau of Shangjie District, Zhengzhou City will issue a confirmation notice (“**Confirmation Notice**”) in respect of the Land Parcel I and Land Parcel II to Henan Jinming. The land use rights grant contracts in relation to the Acquisitions are expected to be entered between Henan Jinming and Land and Resources Bureau of Shangjie District, Zhengzhou City on or before the date determined by Land and Resources Bureau of Shangjie District, Zhengzhou City as stipulated in the Confirmation Notice.

INFORMATION ON PARTIES TO THE ACQUISITIONS

Henan Jinming a company established in the PRC, an indirect wholly-owned subsidiary of the Company and its principal activity is property development.

Land and Resources Bureau of Shangjie District, Zhengzhou City, being the seller of Land

Parcel I and Land Parcel II, is a PRC Governmental body and is responsible for, among other things, administering the examination and approval of land planning, assignment and transfer of the land use rights of the state-owned land in Shangjie District, Zhengzhou City, Henan Province, the PRC and the issue of various types of land certificates.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Land and Resources Bureau of Shangjie District, Zhengzhou City and its beneficial owner are third parties independent of the Group and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Company and its subsidiaries (collectively “**Group**”) are principally engaged in property development, property investment and management, hotel operations and securities trading and investment. The Board believes that the Acquisitions complement the Group's strategy in expanding its development in Henan Province and other first and second tier cities in the PRC.

The Directors further consider that each of the Acquisitions is a transaction of revenue nature is carried out in the ordinary and usual course of business and is on normal commercial terms, which is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company will continue to seek viable business opportunities in accordance with its overall strategy. The Company will make use of the Group's financial, human and technological resources to enhance its portfolio, asset base and brand image.

LISTING RULES IMPLICATIONS

Taking into consideration the fact that the locations of Land Parcel I and Land Parcel II are adjacent to each other in Shangjie District, Zhengzhou City, the Board took the liberty to aggregate the First Acquisition of Land Parcel I and the Second Acquisition of the Land Parcel II. As one of the applicable percentage ratios calculated in respect of the Acquisitions under Rule 14.07 of the Rules Governing Listing of the Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) exceed 5% but is less than 25%, the Acquisitions constitute a discloseable transaction for the Company under the Listing Rules.

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

Hong Kong, 28 November 2018

As at the date of this announcement, the executive Directors are Mr. Zhang Jingguo and Mr. Zhang Guoqiang; 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.

** For identification purpose only.*