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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)

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 30 November 2018, Henan Zhengxin, an indirect wholly-owned subsidiary of the Company, made three successful bids for the land use rights of Land Parcel I, Land Parcel II and Land Parcel III through listing for sale process in the Auction held by Xinxiang County Land and Resources Bureau* (新鄉縣國土資源局) for transfer of state-owned land use rights at a consideration of RMB42,534,800 for Land Parcel I, RMB65,688,000 for Land Parcel II and RMB53,809,300 for Land Parcel III, respectively.

Land Parcel I is located at south of Health Avenue and west of Central Avenue, Qiliying Town* (七里營鎮健康大道以南、中央大道以西), Xinxiang County, Henan Province, the PRC with a total site area of 30,360.30 sq.m. and permitted plot ratio between 1.0 and 3.0. Land Parcel I is designated for commercial usage with the term of use for 40 years.

Land Parcel II is located at the intersection of Central Avenue and Financial Road, Qiliying Town* (七里營鎮中央大道與金融路交叉口), Xinxiang County, Henan Province, the PRC with a total site area of 66,051.30 sq.m. and permitted plot ratio between 1.0 and 1.6. 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.

Land Parcel III is located at the intersection of Central Avenue and Financial Road, Qiliying Town* (七里營鎮中央大道與金融路交叉口), Xinxiang County, Henan Province, the PRC with a total site area of 54,106.80 sq.m. and permitted plot ratio between 1.0 and 1.6. Land Parcel III 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, Land Parcel II and

Land Parcel III are adjacent to each other in Xinxiang County, the Board took the liberty to aggregate the First Acquisition of Land Parcel I, the Second Acquisition of Land Parcel II, and the Third Acquisition of Land Parcel III. As one of the applicable percentage ratios calculated in respect of the Acquisitions under Rule 14.07 of the Listing Rules exceeds 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 30 November 2018, Henan Zensun Zhengxin Real Estate Company Limited* (河南正商鄭新房地產有限公司) (“**Henan Zhengxin**”), an indirect wholly-owned subsidiary of the Company, made three successful bids for the transfer of state-owned land use rights of three land parcels with code no. 2018 - 33# (“**Land Parcel I**”) at a consideration of RMB42,534,800 (“**First Acquisition**”), with code no. 2018 - 34# (“**Land Parcel II**”) at a consideration of RMB65,688,000 (“**Second Acquisition**”) and with code no. 2018 - 35# (“**Land Parcel III**”) at a consideration of RMB53,809,300 (“**Third Acquisition**”), located in Xinxiang County, Henan Province, the People’s Republic of China (the “**PRC**”) through listing for sale process in the public auctions (“**Auction**”) held by Xinxiang County Land and Resources Bureau* (新鄉縣國土資源局). The First Acquisition, the Second Acquisition and the Third Acquisition, collectively referred to as the “**Acquisitions**”. The consideration of each of the Acquisitions was determined based on the Auction documents issued by Xinxiang Land and Resources Bureau. The Group will finance the Acquisitions and the development of Land Parcel I, Land Parcel II and Land Parcel III with internal resources.

Land Parcel I is located at south of Health Avenue and west of Central Avenue, Qiliying Town* (七里營鎮健康大道以南、中央大道以西), Xinxiang County, Henan Province, the PRC with a total site area of 30,360.30 sq.m. and permitted plot ratio between 1.0 and 3.0. Land Parcel I is designated for commercial usage with the term of use for 40 years.

Land Parcel II is located at the intersection of Central Avenue and Financial Road, Qiliying Town* (七里營鎮中央大道與金融路交叉口), Xinxiang County, Henan Province, the PRC with a total site area of 66,051.30 sq.m. and permitted plot ratio between 1.0 and 1.6. 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

Land Parcel III is located at the intersection of Central Avenue and Financial Road, Qiliying Town* (七里營鎮中央大道與金融路交叉口), Xinxiang County, Henan Province, the PRC with a total site area of 54,106.80 sq.m. and permitted plot ratio between 1.0 and 1.6. Land Parcel III 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 RMB42,534,800 for Land Parcel I, RMB65,688,000 for Land Parcel II, and RMB53,809,300 for Land Parcel III have been paid as the security deposits for the Auction. Pursuant to the procedures under the listing for sale process in the Auction, within three working days following the successful bids, Henan Zhengxin shall submit qualification documents to Xinxiang County Land and Resources Bureau for verification.

Upon completion of the verification process, Xinxiang County Land and Resources Bureau will issue a confirmation notice (“**Confirmation Notice**”) in respect of Land Parcel I, Land Parcel II and Land Parcel III to Henan Zhengxin. The land use rights grant contracts in relation to the Acquisitions are expected to be entered between Henan Zhengxin and Xinxiang County Land and Resources Bureau on or before the date determined by Xinxiang County Land and Resources Bureau as stipulated in the Confirmation Notice.

INFORMATION ON PARTIES TO THE ACQUISITIONS

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

Xinxiang Land and Resources Bureau, being the seller of Land Parcel I, Land Parcel II and Land Parcel III, 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 Xinxiang County, 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, Xinxiang County Land and Resources Bureau 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, Land Parcel II and Land Parcel III are adjacent to each other in Xinxiang County, Zhengzhou City, the Board took the liberty to aggregate the First Acquisition of Land Parcel I, the Second Acquisition of Land Parcel II and the Third Acquisition of Land Parcel III. 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**”) exceeds 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, 30 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.*