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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**

Reference is made to the announcement of the Company dated 30 November 2018 in relation to the acquisitions of the land use rights of three land parcels from Xinxiang County Land and Resources Bureau\* (新鄉縣國土資源局) in Xinxiang County, Henan Province, namely, Land Parcel I at a consideration of RMB42,534,800, Land Parcel II at a consideration of RMB65,688,000 and Land Parcel III at a consideration of RMB53,809,300 respectively.

The Board is pleased to announce that on 3 December 2018, Henan Zhengxin, an indirect wholly-owned subsidiary of the Company, further made two successful bids for the land use rights of another two land parcels in Xinxiang County, Henan Province, namely, Land Parcel IV and Land Parcel V, through listing for sale process in the Auction held by Xinxiang County Land and Resources Bureau for transfer of state-owned land use rights at a consideration of RMB58,319,500 for Land Parcel IV and RMB52,098,600 for Land Parcel V, respectively.

Land Parcel IV 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 58,642 sq.m. and permitted plot ratio between 1.0 and 1.6. Land Parcel IV 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 V 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 52,386.70 sq.m. and permitted plot ratio between 1.0 and 1.6. Land Parcel V 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, Land Parcel III, Land Parcel IV and Land Parcel V 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, the Third Acquisition of Land Parcel III, the Fourth Acquisition of Land Parcel IV and the Fifth Acquisition of Land Parcel V. 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

Reference is made to the announcement of ZH International Holdings Limited (the “**Company**”) dated 30 November 2018 in relation to the acquisitions of the land use rights of three land parcels in Xinxiang County, Henan Province, of which (i) with code no. 2018 - 33# (“**Land Parcel I**”), 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), with a total site area of 30,360.30 sq.m. and permitted plot ratio between 1.0 and 3.0, at a consideration of RMB42,534,800 (“**First Acquisition**”); (ii) with code no. 2018 - 34# (“**Land Parcel II**”), 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), with a total site area of 66,051.30 sq.m. and permitted plot ratio between 1.0 and 1.6, at a consideration of RMB65,688,000 (“**Second Acquisition**”); and (iii) with code no. 2018 - 35# (“**Land Parcel III**”), 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), with a total site area of 54,106.80 sq.m. and permitted plot ratio between 1.0 and 1.6, at a consideration of RMB53,809,300 (“**Third Acquisition**”). For details of the First Acquisition, the Second Acquisition and the Third Acquisition, please refer to the announcement of the Company dated 30 November 2018.

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 3 December 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, further made two successful bids for the transfer of state-owned land use rights of another two land parcels with code no. 2018 - 36# (“**Land Parcel IV**”) at a consideration of RMB58,319,500 (“**Fourth Acquisition**”) and with code no. 2018 - 37# (“**Land Parcel V**”) at a consideration of RMB52,098,600 (“**Fifth 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, the Third Acquisition, the Fourth Acquisition and the Fifth Acquisition, collectively referred to as the “**Acquisitions**”. The consideration of each of the Fourth Acquisition and the Fifth Acquisition was determined based on the Auction documents issued by Xinxiang County Land and Resources Bureau. The Group will finance the Fourth Acquisition and the Fifth Acquisition and the development of Land Parcel IV and Land Parcel V with internal resources.

Land Parcel IV 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 58,642 sq.m. and permitted plot ratio between 1.0 and 1.6. Land Parcel IV 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 V 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 52,386.70 sq.m. and permitted plot ratio between 1.0 and 1.6. Land Parcel V 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 RMB58,319,500 for Land Parcel IV and RMB52,098,600 for Land Parcel V 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 IV and Land Parcel V to Henan Zhengxin. The land use rights grant contracts in relation to the Fourth Acquisition and the Fifth Acquisition 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 IV and Land Parcel V, 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, Land Parcel III, Land Parcel IV and Land Parcel V 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, the Third Acquisition of Land Parcel III, the Fourth Acquisition of Land Parcel IV and the Fifth Acquisition of Land Parcel V. 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, 3 December 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.*