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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 ACQUISITION OF LAND USE RIGHTS IN HENAN PROVINCE, THE PRC

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that on 16 January 2019, Henan Jinming, an indirect wholly-owned subsidiary of the Company, made a successful bid for the land use rights of the Land Parcel 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 RMB216,700,000.

The Land Parcel is located at east of Tonghang Fifth Road and north of Anyang Road* (通航五路東側、安陽路北側), Shangjie District, Zhengzhou City, Henan Province, the PRC with a total site area of 93,643.23 sq.m. and permitted plot ratio of not higher than 2.5. The Land Parcel is designated for commercial usage with the term of use for 40 years.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated in respect of the Acquisition under Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

ACQUISITION OF LAND USE RIGHTS

The board (“**Board**”) of directors (“**Directors**”) of ZH International Holdings Limited (“**Company**”) is pleased to announce that on 16 January 2019, 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 a successful bid for the transfer of state-owned land use rights of a land parcel with code no. 鄭上出 [2018] - 017# (“**Land Parcel**”) at a consideration of RMB216,700,000 (“**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 auction (“**Auction**”) held by Land and Resources Bureau of Shangjie District, Zhengzhou City* (鄭州市上街區國土資源局).

The consideration of the Acquisition was determined based on the Auction documents issued by Land and Resources Bureau of Shangjie District, Zhengzhou City. The Group will finance the Acquisition and the development of the Land Parcel with internal resources.

The Land Parcel is located at east of Tonghang Fifth Road and north of Anyang Road* (通航五路東側、安陽路北側), Shangjie District, Zhengzhou City, Henan Province, the PRC with a total site area of 93,643.23 sq.m. and permitted plot ratio of not higher than 2.5. The Land Parcel is designated for commercial usage with the term of use for 40 years.

A sum of RMB108,350,000 for the Land Parcel has been paid as the security deposit for the Auction. Pursuant to the procedures under the listing for sale process in the Auction, within two working days following the successful bid, 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 to Henan Jinming. The land use rights grant contract in relation to the Acquisition is 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 ACQUISITION

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 the Land Parcel, 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 ACQUISITION

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 Acquisition complements 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 the Acquisition 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

As one of the applicable percentage ratios calculated in respect of the Acquisition 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 Acquisition constitutes 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, 16 January 2019

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.*