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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)

### **INSIDE INFORMATION ADOPTION OF DIVIDEND POLICY**

This announcement is made by the board of directors (the “**Board**”) of 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company would like to announce that the Board has approved and adopted a dividend policy (the “**Dividend Policy**”) on and with effect from 22 February 2019.

The Company considers stable and sustainable returns to the shareholders of the Company to be our goal. According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, *inter alia*:-

- (i) the general financial condition of the Group;
- (ii) the Group’s actual and future operations and liquidity position;
- (iii) the Group’s expected working capital requirements and future expansion plans;
- (iv) the Group’s debt to equity ratios and the debt level;
- (v) the retained earnings and distributable reserves of the Company and each of the members of the Group;
- (vi) the shareholders’ and the investors’ expectation and industry’s norm;
- (vii) the general market conditions; and
- (viii) any other factors that the Board deems appropriate.

The declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Company's articles of association and any other applicable laws and regulations. The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing or investing 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, 22 February, 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 Dr. Liu Qiao, Mr. Liu Da and Mr. Ma Yuntao.*