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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)

ANNOUNCEMENT PROFIT ALERT

This announcement is made by ZH International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on review on the unaudited consolidated management accounts of the Group and the latest information currently available to the Board, the Group’s net profit for the year ended 31 December 2018 (the “**Year**”) is expected to decrease by around 60% as compared to that for the year ended 31 December 2017.

The Board believes that the above decrease is mainly due to the fact that the Group’s property development projects were primarily delivered with full refurbishment to be in line with the Group’s development strategy of providing “High quality” products, which generally takes a longer development period. As such, there was no delivery of new property development projects for the Group during the Year which led to decrease in the Group’s operating revenue and gross profit for the Year. The Board believes that the implementation of “High quality” strategy will increase our customers’ satisfaction and will lay a solid foundation for the sustainable development of the Group in the long run. The Board remains optimistic about the prospects of the principal businesses of the Group.

The information contained in this announcement is only based on a preliminary assessment by the Board based on the latest information available and the unaudited consolidated

management accounts of the Group. The audited consolidated financial results of the Group for the Year have not been finalised and are subject to revision and confirmation with auditors of the Company. Details of the Group's performance will be disclosed in the annual results announcement of the Company, which is expected to be published around end of March 2019.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 1 March, 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.