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ZHONGCHANG INTERNATIONAL HOLDINGS GROUP LIMITED

中昌國際控股集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 859)

**MAJOR TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN
HANGZHOU MINGLUN**

INTRODUCTION

After the Stock Exchange trading hours on 7 April 2020, Zhoushan Mingyi, the Target (both wholly-owned subsidiaries of the Company) and Dongtou entered into the Agreement, pursuant to which Zhoushan Mingyi conditionally agreed to sell and Dongtou conditionally agreed to purchase the Sale Interest, representing the 100% equity interest in the Target and all rights and obligations attached to such equity interest (including but not limited to the right to receive repayment of the entire shareholder's loan of RMB23.9 million owed by the Target to the Group), at the Consideration of RMB177.27 million (equivalent to approximately HK\$193.2 million). The principal asset of the Target is the property interest in the Land situated at Lin'an District, Hangzhou City, Zhejiang Province, the PRC.

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 25% but are less than 100%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. Pursuant to Rule 4 of the Takeovers Code, the Disposal constitutes a frustrating action and is subject to the approval of the Shareholders unless a waiver has been obtained from the Executive.

A special general meeting will be convened and held by the Company at which resolution(s) will be proposed to seek approval of the Shareholders of, among other things, the Agreement and the transactions contemplated thereunder by way of poll in compliance with the Listing Rules and the Takeovers Code.

As a result of the Enforcement Action taken by the Security Agent on 18 October 2019, the Security Agent has acquired control over the voting rights attached to the Charged Shares (being 843,585,747 issued shares in the Company (representing approximately 74.98% of the entire issued share capital of the Company as at the date of this announcement)) then held by Sansheng Hongye (Hong Kong) Limited (a wholly-owned subsidiary of 上海三盛宏業投資(集團)有限責任公司 (Shanghai Sansheng Hongye Investment (Group) Company Limited*)), thereby triggering an obligation on the part of the Security Agent to make a mandatory general offer for all the shares of the Company not already owned or agreed to be acquired by the Security Agent and parties acting in concert with it pursuant to Rule 26 of the Takeovers Code. The Security Agent is now making the Offer via Glory Rank (please refer to the announcement dated 3 April 2020 made by Glory Rank for further details). Under Rule 26.4 of the Takeovers Code, except with the consent of the Executive, an offeror and parties acting in concert with it shall not exercise offeree company voting rights until the offer document has been posted. Accordingly, except with the consent of the Executive pursuant to Rule 26.4 of the Takeovers Code, the Security Agent shall not exercise the voting rights attached to the Charged Shares until the Offer document has been posted. As at the date of this announcement, the Offer document has not yet been posted.

In addition, as Mr. Chen Jianming and 上海三盛宏業投資(集團)有限責任公司 (Shanghai Sansheng Hongye Investment (Group) Company Limited*) are regarded as having a material interest in the Disposal, they and their respective close associates shall abstain from voting on the resolution(s) in respect of the Agreement and the transactions contemplated thereunder at the special general meeting.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Disposal and accordingly no other Shareholder is required to abstain from voting at the special general meeting to be convened to approve the resolution(s) in respect of the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Agreement; (ii) valuation report of the Land; (iii) financial information of the Group; (iv) other information required under the Listing Rules and/or the Takeovers Code; and (v) notice of the special general meeting is expected to be despatched to the Shareholders on or before 21 April 2020.

INTRODUCTION

Reference is made to the Company's announcement dated 24 June 2019 and circular dated 12 July 2019 in relation to the acquisition of the Land by the Target at the consideration of RMB347.6 million (equivalent to approximately HK\$378.9 million). As at the date of this announcement, the Target has made partial payment of the consideration in the aggregate sum of approximately RMB173.8 million (equivalent to approximately HK\$189.4 million) (the "**Partial Payment**"). The balance of the consideration of RMB173.8 million (equivalent to approximately HK\$189.4 million) shall be payable on or before 7 July 2020.

Reference is also made to the announcement of the Company dated 14 February 2020 in relation to the Renewal. Pursuant to the Renewal Agreement, Zhoushan Mingyi shall complete the disposal of the entire equity interest in the Target on or before 13 May 2020 in order to raise fund to repay part of the Loans, failing which Zhoushan Mingyi shall charge its entire equity interest in the Target and its receivables under the shareholder's loan due from the Target in favour of Shanghai Aijian as security for the Loans of up to RMB85.0 million.

On 7 April 2020, Zhoushan Mingyi, the Target and Dongtou entered into the Agreement, pursuant to which Zhoushan Mingyi conditionally agreed to sell and Dongtou conditionally agreed to purchase the Sale Interest, representing the 100% equity interest in the Target and all rights and obligations attached to such equity interest (including but not limited to the right to receive repayment of the entire shareholder's loan of RMB23.9 million (equivalent to approximately HK\$26.1 million) owed by the Target to the Group), at the Consideration of RMB177.27 million (equivalent to approximately HK\$193.2 million). The principal asset of the Target is the property interest in the Land.

THE AGREEMENT

Date

7 April 2020

Parties

- (i) Zhoushan Mingyi (i.e. the Vendor);
- (ii) Hangzhou Minglun (i.e. the Target); and
- (iii) Dongtou (i.e. the Purchaser).

The Vendor is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, it is the beneficial owner of the 100% equity interest in the Target. The Purchaser is a company established in the PRC with limited liability in 2015 and is principally engaged in property development. The Purchaser was awarded as one of the China Specialised Real Estate Company for 2019 (2019中國特色地產運營優秀企業). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser is ultimately and beneficially owned as to 90.1% by Mr. Chen Dongxu, 7.62% by Ms. Huang Liping and 2.28% by Ms. Chen Cailian; and (ii) the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons and are not interested in any Shares as at the date of this announcement.

Asset to be disposed

Pursuant to the Agreement, the Vendor conditionally agreed to sell and Dongtou conditionally agreed to purchase the Sale Interest, which represents the 100% equity interest in the Target and all rights and obligations attached to such equity interest (including but not limited to the right to receive repayment of the entire shareholder's loan of RMB23.9 million owed by the Target to the Group). The Sale Interest shall be sold free from encumbrances and together with the rights and obligations attached thereto from the date of Completion.

The principal asset of the Target at present is the property interest in the Land under the Transfer Agreement. Pursuant to the Agreement, (i) within 20 Business Days from the payment of the Deposit into the Account, the parties to the Agreement shall cooperate to complete the necessary procedures for the establishment of the New Project Company; and (ii) within 30 Business Days from the establishment of the New Project Company, the Vendor and the Target shall complete the transfer of all the rights and liabilities of the Target under the Transfer Agreement to the New Project Company. Details of the rights and liabilities of the Target under the Transfer Agreement are set out in the Company's announcement dated 24 June 2019 and circular dated 12 July 2019. Details of the Target and the Land are set out in the section headed "Information of the Target" below.

Consideration and payment terms

The Consideration for the Sale Interest is RMB177.27 million (equivalent to approximately HK\$193.2 million) which was determined after arm's length negotiations between the Purchaser and the Vendor after taking into account (i) the unaudited net asset value of the Target of approximately RMB149.1 million (equivalent to approximately HK\$162.5 million) as at 31 December 2019; (ii) the amount of the shareholder's loan owed by the Target to the Group of approximately RMB23.9 million (equivalent to approximately HK\$26.1 million) as at the date of the Agreement; and (iii) the reference value of the Land (assuming that proper title of certificate has been granted and the Land can be freely transferrable) as at 31 December 2019 preliminarily assessed by Vincorn Consulting and Appraisal Limited, an independent professional valuer, using market approach.

The Consideration shall be payable by the Purchaser in the following manner:

- (i) within three Business Days after the signing of the Agreement, the Vendor and the Purchaser shall cooperate to open the Account. Within five Business Days after the opening of the Account, the Purchaser shall place the Deposit (being RMB25 million (equivalent to approximately HK\$27.3 million)) into the Account; and
- (ii) within three Business Days following the satisfaction of all the Conditions, the Purchaser shall deposit the balance of the Consideration (being RMB152.27 million (equivalent to approximately HK\$166.0 million)) into the Account.

The Deposit shall be released to the Vendor within three Business Days following the satisfaction of the Conditions (i.e. on the same day as referred to in (ii) above). The balance of the Consideration deposited in the Account shall be released to the Vendor within three Business Days following completion of the necessary registration and/or filing procedures regarding the change of ownership of the Sale Interest including but not limited to registration of the Sale Interest under the name of the Purchaser with the relevant commerce and industry bureau in the PRC. Pursuant to the Agreement, Zhoushan Mingyi shall complete such registration within 30 Business Days from the date on which the Purchaser places the balance of the Consideration into the Account.

Conditions precedent

Completion is conditional upon the satisfaction of the following Conditions:

- (i) the New Project Company having been duly established and having succeeded to all the rights and assume all the liabilities of the Target under the Transfer Agreement;
- (ii) the approval of the Shareholders of the Agreement and the transactions contemplated thereunder having been obtained;
- (iii) if applicable, all necessary approvals from relevant regulatory authorities (including but not limited to the Stock Exchange and the SFC) of the Agreement and the transactions contemplated thereunder having been obtained by the Company; and
- (iv) if applicable, the approvals of the major creditors of the Company of the Agreement and the transactions contemplated thereunder having been obtained by the Company.

The succession of all rights and the assumption of all the liabilities of the Target under the Transfer Agreement by the New Project Company as referred to in condition (i) above is subject to the consent of Lin'an Resources Bureau. The above Conditions are not waivable by any parties to the Agreement. If the above Conditions are not fulfilled by 30 June 2020 (or such later date as may be agreed among the parties to the Agreement), the Agreement shall lapse, in which case the Deposit shall not be released to the Vendor and shall be retained by the Purchaser, and the Purchaser shall not be obliged to deposit the balance of the Consideration into the Account.

If any party to the Agreement fails to perform its obligation in accordance with the time frame specified in the Agreement, the defaulting party shall be liable to pay the non-defaulting party RMB100,000 for each day of delay. In the event that the delay exceeds 30 days, the non-defaulting party shall have the right to terminate the Agreement and the defaulting party shall pay an additional penalty payment of RMB20.0 million to the non-defaulting party. In addition to the aforesaid penalty payments, in the event that the Vendor, by reason of its default, fails to proceed with the completion of the transfer of ownership of the Sale Interest or the necessary registration and/or filing procedures regarding the change of ownership of the Sale Interest in accordance with the Agreement following satisfaction of all the Conditions, the Vendor shall be liable to pay the Purchaser an additional amount equivalent to 20% of the Consideration (i.e. approximately RMB35.5 million (equivalent to approximately HK\$38.7 million)) plus any direct and indirect damages to the Purchaser as compensation unless the Vendor and the Purchaser agree otherwise.

Completion

Completion shall take place upon the release of the balance of the Consideration from the Account to the Vendor (i.e. within three Business Days from completion of the necessary registration and/or filing procedures regarding the change of ownership of the Sale Interest). Upon Completion, the Target will cease to be a subsidiary of the Company, and its financial results will not be consolidated into the financial statements of the Company.

INFORMATION OF THE TARGET

The Target

The Target is an indirect wholly-owned subsidiary of the Company as at the date of the Agreement and a special purpose vehicle established in the PRC on 31 May 2019 for the purpose of holding the Land. Apart from the acquisition of the Land, the Target has not conducted any other businesses since its establishment.

The Land

The Land is located in the north of Fu Xing Street, Lin'an District, Hangzhou City, Zhejiang Province, the PRC, with a site area of approximately 23,642 sq. m. It is located in the central area of Lin'an District and surrounded by a complete set of facilities and infrastructure, within 5 km from the entrance of 杭州—瑞丽高速公路 (Hangzhou–Ruili Expressway*), 3.5 km from 臨安區政府 (Lin'an District Government*) and 3.3 km from 臨安人民醫院 (Lin'an People's Hospital*). The Land is intended to be developed primarily into residential units with maximum developable gross floor area of approximately 42,556 sq. m.. As at the date of this announcement, development works at the Land have not been commenced.

The Land was acquired by the Target from Lin'an Resources Bureau through a public tender process in June 2019 at the consideration of RMB347.6 million (equivalent to approximately HK\$378.9 million). In accordance with the Transfer Agreement, the Group had made the Partial Payment, with the balance of approximately RMB173.8 million (equivalent to approximately HK\$189.4 million) payable on or before 7 July 2020. As the balance for the consideration is not yet due for payment, the title certificate for the Land has not been issued as at the date hereof. Pursuant to the terms of the Agreement, the New Project Company shall be established and succeed to all the rights and assume all the liabilities of the Target under the Transfer Agreement in accordance with the timeframe described in the paragraph headed "Asset to be disposed" under the section headed "The Agreement" above. Upon Completion, the Group will no longer be liable to pay the remaining balance of the consideration under the Transfer Agreement.

Financial information

Based on the unaudited management accounts of the Target as at 31 December 2019, the unaudited net asset value of the Target amounted to approximately RMB149.1 million (equivalent to approximately HK\$162.5 million), the principal asset of which is the Partial Payment and the principal liability of which is the shareholder's loan owed to the Group of approximately RMB23.9 million (equivalent to approximately HK\$26.1 million). As development works at the Land have not been commenced, the Target did not record any revenue for the period from the date of establishment to 31 December 2019. The Target recorded loss (both before and after tax) of approximately RMB0.9 million (equivalent to approximately HK\$1.0 million) for the period from 31 May 2019 (being the date of its establishment) to 31 December 2019.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in property investment and leasing in Hong Kong and property development in the PRC.

The Land was acquired by the Target in June 2019 from Lin'an Resources Bureau through a public tender and was intended to be developed into residential units for sale. Having considered the latest market conditions and the financial position of the Group, the Directors consider the Disposal will allow the Group to retain more cash resources and reduce the indebtedness and financial commitment on the future development costs and is in the interest of the Group. The Consideration, which has taken into account the latest preliminary reference value of the Land and the Partial Payment made under the Transfer Agreement, allows the Group to recoup in full the investment costs in the Target.

Further, as disclosed in the announcement of the Company dated 14 February 2020, the Group entered into the Renewal Agreement with Shanghai Aijian, pursuant to which Shanghai Aijian agreed to the Renewal on the terms that, among others, Zhoushan Mingyi shall complete the disposal of the entire equity interest in the Target on or before 13 May 2020 in order to raise fund to repay part of the Loans, failing which Zhoushan Mingyi shall charge its entire equity interest in the Target and its receivables under the shareholder's loan due from the Target in favour of Shanghai Aijian as security for the Loans of up to RMB85.0 million (the "**Charge**"). Pursuant to the Renewal Agreement, in the event that the Charge is created and Zhoushan Mingyi requests for a release of the Charge for the purpose of the Disposal after 13 May 2020, Shanghai Aijian shall release the Charge to facilitate the Disposal for the purpose of partial repayment of the Loans. For the avoidance of doubt, the Disposal and the Renewal are not inter-conditional on each other. The Company may proceed with the Disposal independently regardless of whether the Renewal has become effective. Similarly, the Renewal may become effective even if the Disposal does not proceed.

The proceeds from the Disposal to be received by Zhoushan Mingyi, net of expenses directly attributable thereto, are estimated to be approximately RMB175.8 million (equivalent to approximately HK\$191.6 million) and are intended to be applied as to (i) approximately RMB85.0 million (equivalent to approximately HK\$92.7 million) as an interest-free shareholder's loan to Zhenjiang Tiangong, among which approximately RMB51.9 million (equivalent to approximately HK\$56.6 million) will be used to repay part of the Loans and interest accrued thereon; and approximately RMB33.1 million will be used to finance construction costs of the property project held by Zhenjiang Tiangong; and (ii) approximately RMB90.8 million for general working capital and operating expenses of the Group such as interest expenses and headquarter expenses. The Group is expected to record a gain from the Disposal (before expenses) of approximately RMB4.3 million (equivalent to approximately HK\$4.7 million), which represents the difference between (i) the Consideration; and (ii) the sum of unaudited net asset value of the Target and the amount of shareholder's loan as at 31 December 2019. The actual gain to be recorded by the Group may be different from the above estimation and is dependent on the actual net asset value of the Target at Completion.

In light of the above, the Directors consider the terms of the Agreement to be on normal commercial terms and fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 25% but are less than 100%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. Pursuant to Rule 4 of the Takeovers Code, the Disposal constitutes a frustrating action and is subject to the approval of the Shareholders unless a waiver has been obtained from the Executive.

A special general meeting will be convened and held by the Company at which resolution(s) will be proposed to seek approval of the Shareholders of, among other things, the Agreement and the transactions contemplated thereunder by way of poll in compliance with the Listing Rules and the Takeovers Code.

As disclosed in the announcement dated 3 April 2020 issued by Glory Rank Investment Limited ("**Glory Rank**", a wholly-owned subsidiary of China Cinda (HK) Asset Management Co., Limited (the "**Security Agent**")), the Security Agent has taken enforcement action (the "**Enforcement Action**") on 18 October 2019 over the 843,585,747 issued shares in the Company (representing approximately 74.98% of the entire issued share capital of the Company as at the date of this announcement, the "**Charged Shares**") then held by Sansheng Hongye (Hong Kong) Limited (a wholly owned subsidiary of 上海三盛宏業投資(集團)有限責任公司 (Shanghai Sansheng Hongye Investment (Group) Company Limited*). As a result of the Enforcement Action, the Security Agent has acquired control over the voting rights attached to the Charged Shares, thereby triggering an obligation on the part of the Security Agent to make a mandatory general offer for all the shares of the Company not already owned or agreed to be acquired by the Security Agent and parties acting in concert with it (the "**Offer**") pursuant to Rule 26 of the Takeovers Code. The Security Agent is now making the Offer via Glory Rank. Under Rule 26.4 of the Takeovers Code, except with the consent of the Executive, an offeror and parties acting in concert with it shall not exercise offeree company voting rights until the offer document has been posted. Accordingly, except with the consent of the Executive pursuant to Rule 26.4 of the Takeovers Code, the Security Agent shall not exercise the voting rights attached to the Charged Shares until the Offer document has been posted. As at the date of this announcement, the Offer document has not yet been posted.

In addition, as Mr. Chen Jianming and 上海三盛宏業投資(集團)有限責任公司 (Shanghai Sansheng Hongye Investment (Group) Company Limited*) are regarded as having a material interest in the Disposal, they and their respective close associates shall abstain from voting on the resolution(s) in respect of the Agreement and the transactions contemplated thereunder at the special general meeting.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Disposal and accordingly no other Shareholder is required to abstain from voting on the resolution(s) in respect of the Agreement and the transactions contemplated thereunder at the special general meeting.

A circular containing, among other things, (i) details of the Agreement; (ii) the valuation report on the Land; (iii) financial information of the Group; (iv) other information required under the Listing Rules and/or the Takeovers Code; and (v) the notice convening the special general meeting, is expected to be despatched to the Shareholders on or before 21 April 2020.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Account”	the bank account jointly operated by the Vendor and the Purchaser to be opened under the name of the Purchaser at a bank to be mutually agreed between the Purchaser and the Vendor whereas the designated bank seal is within the Vendor's custody for the purpose of holding the Consideration payable by the Purchaser pending Completion
“Agreement”	the conditional sale and purchase agreement dated 7 April 2020 entered into among the Purchaser, the Vendor and the Target in relation to the Disposal
“Board”	the board of Directors
“Business Day(s)”	a day(s) (other than a Saturday, Sunday and public holiday) on which commercial banks are generally open for business in the PRC
“Company”	Zhongchang International Holdings Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 859)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Conditions”	the conditions precedent to Completion as stipulated in the Agreement

“Consideration”	the consideration for the Sale Interest of RMB177.27 million under the Agreement
“Deposit”	the sum of RMB25 million payable by the Purchaser within five Business Days after the opening of the Account as escrow money and partial payment for the Consideration under the terms of the Agreement
“Directors”	the directors of the Company
“Disposal”	the proposed sale of the Sale Interest by the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement
“Dongtou” or “Purchaser”	東投地產集團有限公司 (Dongtou Property Group Co. Ltd.*), a company established in the PRC with limited liability and ultimately and beneficially owned as to 90.1% by Mr. Chen Dongxu, 7.62% by Ms. Huang Liping and 2.28% by Ms. Chen Cailian
“Executive”	Executive Director of the Corporate Finance Division of the SFC or its delegate
“Group”	the Company and its subsidiaries from time to time
“Hangzhou Minglun” or “Target”	杭州銘倫實業有限公司 (Hangzhou Minglun Industrial Co., Ltd.*), an indirect wholly-owned subsidiary of the Company as at the date of this announcement and before Completion
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	the parcel of land located in Lin’an District, Hangzhou City, Zhejiang Province, the PRC (浙江省杭州市臨安區)
“Loans”	the loans drawn down from the facilities granted by Shanghai Aijian to the Group
“Lin’an Resources Bureau”	杭州市規劃和自然資源局臨安分局 (Lin’an Branch of Hangzhou Planning and Natural Resources Bureau*)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“New Project Company”	a wholly-owned subsidiary of the Target to be established before Completion pursuant to the terms of the Agreement
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Renewal”	the renewal of the facilities granted by Shanghai Aijian to the Group pursuant to the Renewal Agreement
“Renewal Agreement”	the agreement dated 13 February 2020 entered into among 上海岳信企業管理諮詢有限公司 (Shanghai Yuexin Enterprise Management Consultancy Co., Ltd.*), Zhenjiang Tiangong, Zhoushan Mingyi and Shanghai Aijian in relation to the Renewal
“Sale Interest”	the 100% equity interest in the Target and all rights and obligations attached to such equity interest (including but not limited to the right to receive repayment of the entire shareholder’s loan owed by the Target to the Group) to be sold by the Vendor to the Purchaser pursuant to the Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shanghai Aijian”	上海愛建信託有限責任公司 (Shanghai Aijian Trust Co., Limited*), an independent financial institution in the PRC
“Shareholder(s)”	holder(s) of the issued share(s) in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

“Transfer Agreement”	the transfer agreement dated 8 July 2019 entered into between the Target and Lin’an Resources Bureau in relation to the bidding of the Land, the principal terms of which are disclosed in the Company’s announcement dated 24 June 2019 and circular dated 12 July 2019
“Zhenjiang Tiangong”	鎮江天工頤景園房地產有限公司 (Zhenjiang Tiangong Yijingyuan Real Estate Co., Ltd.*), an indirect wholly-owned subsidiary of the Company and a company wholly-owned by 上海岳信企業管理諮詢有限公司 (Shanghai Yuexin Enterprise Management Consultancy Co., Ltd.*), which is in turn a wholly-owned subsidiary of Zhoushan Mingyi
“Zhoushan Mingyi” or “Vendor”	舟山銘義文化產業投資有限公司 (Zhoushan Mingyi Cultural Assets Investment Co. Ltd.*), an indirect wholly-owned subsidiary of the Company which beneficially owns 100% equity interest in the Target as at the date of this announcement and before Completion
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“km”	kilometres
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m.”	square metres
“%”	per cent.

By Order of the Board
Zhongchang International Holdings Group limited
Fan Xuerui
Chairman and Executive Director

Hong Kong, 7 April 2020

As at the date of this announcement, the Board comprises Mr. Fan Xuerui (Chairman), Mr. Pi Minjie, Mr. Sun Meng and Ms. Li Guang as executive Directors; Mr. Wang Xin as non-executive Director; and Mr. Hung Ka Hai Clement, Mr. Liew Fui Kiang and Mr. Wong Sai Tat as independent non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Unless otherwise specified in this announcement, translations of RMB into HK\$ are made, for illustration only, at the rate of RMB1.00 to HK\$1.09. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rates or at all.

** For identification purpose only*