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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)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by Zhongchang International Holdings Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”).

BACKGROUND

Reference is made to (i) the major transaction circular of the Company dated 14 December 2020 (the “**Circular**”) in relation to the exercise of the put option by Agile Scene Limited, an indirect wholly-owned subsidiary of the Company, in relation to the entire interest in High Morality Limited, an indirect wholly-owned subsidiary of the Company, whereby such interest would be acquired by Sanshenghongye (BVI) Holdings Limited (三盛宏業(英屬維爾京群島)控股有限公司)(the “**Put Option**”); (ii) the poll results announcement of the Company dated 5 January 2021 in relation to the special general meeting convened to approve the exercise of the Put Option (“**Poll Results Announcement**”); and (iii) the announcements of the Company dated 6 January 2021 and 19 February 2021 providing updates in relation to the exercise of the Put Option (collectively with the Poll Results Announcement, the “**Previous Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As provided in the Previous Announcements, while the Independent Shareholders had approved the exercise of the Put Option and the Company had sent a written notice to the Vendor informing them of the exercise of the Put Option on 5 January 2021, on 6 January 2021, the Company received a response from the Vendor and the Guarantor providing that (i) the Vendor nor the Guarantor will not be able to settle the consideration under the exercise of the Put Option, and (ii) the Company may sell all or part of High Morality, or High Morality Group as the Company and the Purchaser deems fit. Since such date, the Company has been exploring other opportunities to realise its investment in the Project held by the High Morality Group through Zhenjiang Tiangong.

THE POTENTIAL DISPOSAL OF SHANGHAI YUEXIN THROUGH PUBLIC TENDER

The Company intends to dispose of 100% equity interest (the “**Relevant Interest**”) held by Zhoushan Mingyi in Shanghai Yuexin (the latter being the direct holding company of Zhenjiang Tiangong)(the “**Potential Disposal**”) by way of a public tender process (the “**Public Tender**”) to be carried out via the Shanghai United Assets and Equity Exchange*(上海聯合產權交易所有限公司) (the “**Shanghai UAEE**”). The Public Tender will be conducted on the basis that the outstanding debts and liabilities of Shanghai Yuexin and its subsidiary owed to its existing creditors (including but not limited to any amount of the Put Option Loan owed by Shanghai Yuexin and Zhenjiang Tiangong to the Purchaser) will continue to be assumed by them following completion of the Potential Disposal. The Public Tender via the Shanghai UAEE commenced on 25 June 2021 and is expected to end on 22 July 2021 (the “**Bidding Period**”). In the event that no bids are made during the Bidding Period, Zhoushan Mingyi may opt to extend the bidding period, terminate the Public Tender or otherwise re-launch the announcement of the Public Tender on the Shanghai UAEE.

Under the Public Tender, the minimum bidding price for the Potential Disposal shall be RMB1.0 million (the “**Minimum Consideration**”), which was determined based on the asset valuation report and audit report of Shanghai Yuexin and its subsidiary as at 31 December 2020. The final consideration for the Potential Disposal will depend on the final bidding price submitted under the Public Tender. In the event that there is a successful bidder under the Public Tender, Zhoushan Mingyi, as vendor, will enter into a formal share transfer agreement with such successful bidder following the end of the Bidding Period for the purposes of the Potential Disposal.

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

Reference is made to the section headed “Reasons for and Benefits of the Exercise of the Put Option to Dispose High Morality Group” in the Circular. As Shanghai Yuexin is the direct holding company of Zhenjiang Tiangong, which is in turn the holding company for the Project, the factors as more particularly set out in the aforementioned section of the Circular are also applicable to the Potential Disposal. The Potential Disposal, if it materialises, will allow the Company to divest of the debts and liabilities owed by Shanghai Yuexin and Zhenjiang Tiangong, respectively, and to realise its investment in the Project.

LISTING RULES IMPLICATIONS

Using the Minimum Consideration as the basis of calculation, the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Potential Disposal is expected to be more than 25% but less than 75%. Therefore, the Potential Disposal, if it materialises, may constitute a major transaction of the Company and may be subject to the reporting, announcement, circular and the Company's shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The Board wishes to emphasise that as at the date of this announcement, the Company is not under any obligation to proceed with the Potential Disposal. No binding agreement with respect to the Potential Disposal has been entered into by the Group as at the date of this announcement and there is no assurance that any definitive transaction will materialise. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate or required.

As at the date of this announcement, no binding agreement with respect to the Potential Disposal has been entered into by the Company. As the Potential Disposal may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Zhongchang International Holdings Group Limited
Chen Zhiwei
Chairman and Executive Director

Hong Kong, 25 June 2021

As at the date of this announcement, the Board comprises Mr. Chen Zhiwei (Chairman), Ms. Ku Ka Lee and Mr. Tang Lunfei as executive directors; Dr. Huang Qiang, Mr. Wong Chi Keung, Kenjie and Ms. Yu Dan as non-executive directors; and Mr. Liew Fui Kiang, Mr. Liu Xin and Mr. Yip Tai Him as independent non-executive directors.

* *For identification purpose only*