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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)

EXTENSION OF LONG STOP DATE
FOR THE DISCLOSEABLE AND CONNECTED TRANSACTION
INVOLVING THE ACQUISITION OF EQUITY INTEREST
IN A COMPANY WHICH HOLDS A HOTEL IN ZHOUSHAN CITY

Reference is made to the announcement and circular of Zhongchang International Holdings Group Limited (the “**Company**”) dated 8 August 2019 (the “**Acquisition Announcement**”) and 29 August 2019 (the “**Circular**”) respectively in relation to the discloseable and connected transaction involving the proposed acquisition by 佛山快彤物業服務有限公司 (Foshan Express Property Service Co., Ltd.*) (i.e. the Purchaser, an indirect wholly-owned subsidiary of the Company) of the entire equity interest in 舟山三盛酒店管理有限公司 (Zhoushan Sansheng Hotel Management Co., Ltd.*) (i.e. the Target) from 佛山三盛房地產有限責任公司 (Foshan Sansheng Real Estate Co., Ltd.*) (i.e. the Vendor). Capitalised terms used herein have the same meanings as defined in the Acquisition Announcement unless otherwise stated.

EXTENSION OF LONG STOP DATE

As disclosed in the Acquisition Announcement and the Circular, the Purchaser, the Vendor and the Target entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Equity Interest. The principal asset of the Target is the Hotel under a finance lease arrangement with Zhejiang Finance, which payment obligations are secured by a charge over the Equity Interest in favour of Zhejiang Finance (the “**Equity Interest Charge**”). Completion is conditional upon the satisfaction of a number of conditions including the Equity Interest Charge having been released and all corresponding regulatory filing procedures having been completed.

* *for identification purpose only*

The Purchaser has been informed that as the Vendor has provided guarantee to certain debts of Shanghai Sansheng (the holding company of the Vendor and Sansheng Hongye), the Equity Interest had been frozen by an order of the court in the PRC pursuant to legal actions instigated by a creditor of Shanghai Sansheng (the “**Creditor**”). In the circumstances, the Equity Interest Charge is not capable of being released and the conditions precedent for Completion are not capable of being fulfilled on or before the long stop date of 31 December 2019 (or such other later date as the parties may further agree in writing) for fulfillment of conditions as stipulated in the Agreement.

The parties to the Agreement agreed in writing on 31 December 2019 to extend the latest date for fulfillment of conditions to 30 June 2020 (the “**Extension**”). The Extension was agreed to allow more time for Shanghai Sansheng and the Vendor to negotiate with the Creditor with a view to reaching a settlement arrangement involving the release of the Equity Interest from the court order to enable the parties to the Agreement to proceed with Completion. The Extension also allows time for the Board to explore other options to acquire the Hotel including but not limited to negotiating with Zhejiang Finance to enable the Purchaser to possibly acquire the Hotel under a different transaction structure.

Save for the Extension, the other terms of the Agreement remain unchanged.

By order of the Board of
Zhongchang International Holdings Group Limited
Fan Xuerui
Chairman and Executive Director

Hong Kong, 31 December 2019

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.