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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)**

**DISCLOSEABLE AND CONNECTED TRANSACTION**

**LAPSE OF AGREEMENT**  
**FOR THE ACQUISITION OF A HOTEL IN ZHOUSHAN CITY**

Reference is made to the (i) announcement and circular of Zhongchang International Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 August 2019 (the “**Acquisition Announcement**”) and 29 August 2019 respectively in relation to the discloseable and connected transaction (the “**Transaction**”) involving the proposed acquisition by 佛山快形物業服務有限公司 (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) and (ii) the announcement of the Company dated 31 December 2019 (the “**Extension Announcement**”) in relation to the extension of the long stop date in the Agreement and (iii) the supplemental announcement of the Company dated 14 January 2020 (the “**Supplemental Announcement**”) which contained further information to supplement the Extension Announcement. Capitalised terms used herein have the same meanings as defined in the Extension Announcement or the Supplemental Announcement (as the case may be) unless otherwise specified.

**LAPSE OF THE AGREEMENT**

As disclosed in the Acquisition Announcement, if any conditions precedent to the completion of the Transaction is not fulfilled on or before 31 December 2019 (the “**Original Long Stop Date**”), the Agreement shall lapse and be of no effect, subject to the liability of any party to the Agreement in respect of any antecedent breaches of the terms of the Agreement.

As disclosed in the Extension Announcement and the Supplemental Announcement, as certain conditions precedent to the completion of the Transaction were not capable of being fulfilled on or before the Original Long Stop Date, the parties to the Agreement agreed to extend the Original Long Stop Date to 30 June 2020 (the “**New Long Stop Date**”). Save for the aforementioned extension of the long stop date, other terms of the Agreement remained unchanged.

As certain conditions precedent to the completion of the Transaction (in particular, the release of the Equity Interest Charge and completion of all corresponding regulatory filing procedures) remain not satisfied upon the close of business of the New Long Stop Date, as such, on 1 July 2020, the Purchaser notified the Vendor in writing to (i) terminate the Agreement on the same date; and (ii) request the Vendor to return the amount of RMB66.8 million, being the partial purchase price paid by the Purchaser pursuant to the terms of the Agreement, to the Purchaser within 20 days of the notice.

By order of the Board of  
**Zhongchang International Holdings Group Limited**  
**Ma Yilin**  
*Chairman and Executive Director*

Hong Kong, 1 July 2020

*As at the date of this announcement, the Board comprises Mr. Ma Yilin (Chairman), Mr. Chen Zhiwei, Mr. Tang Lunfei and Ms. Huang Limei as executive directors; Mr. Wang Xin and Dr. Huang Qiang as non-executive directors; and Mr. Liew Fui Kiang, Mr. Wong Sai Tat, Mr. Wong Wai Leung and Mr. Yip Tai Him as independent non-executive directors.*

\* *For identification purpose only*