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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

**UPDATE ON THE EXERCISE OF PUT OPTION IN RELATION TO
THE ENTIRE INTEREST OF HIGH MORALITY**

References are made to the announcements of Zhongchang International Holdings Group Limited (the “**Company**”) dated 16 September 2020, 9 and 23 October 2020, 30 November 2020, 5 January 2021 and 6 January 2021, and the circular dated 14 December 2020 (the “**Circular**”) of the Company in relation to the exercise of the Put Option.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As disclosed in the Company’s announcement dated 6 January 2021, the Purchaser sent the Put Option notice to the Vendor after the SGM on 5 January 2021 informing the Vendor of the exercise of the Put Option as required under the Sale and Purchase Agreement, and on 6 January 2021, the Company and the Purchaser received replies from both the Vendor and the Guarantor stating that, among other things, it was unlikely that the Vendor or the Guarantor would be able to settle the consideration for the acquisition of the Put Option Share and the Put Option Loan by 30 business days (as defined under the Sale and Purchase Agreement, being business days in Hong Kong) from the date of the SGM as required under the Sale and Purchase Agreement, which was 18 February 2021.

The Board noted that as at the date of this announcement, being 19 February 2021, neither the Vendor nor the Guarantor had settled the consideration pursuant to the terms of the Put Option to acquire the Put Option Share and the Put Option Loan.

As disclosed in the Circular, the Company will (i) take legal action against the Vendor and the Guarantor; and (ii) consider to dispose the High Morality Group by other means, including, but not limited to, disposal by way of public tender. In these circumstances, if the proceeds of disposing the High Morality Group to third parties is lower than the Consideration, the Company will seek to recover the shortfall from the Vendor and the Guarantor.

The Company will provide further update on the disposal of High Morality Group and/or legal actions taken as and when the Board considers necessary to keep the shareholders of the Company and potential investors informed.

As there remain uncertainty as to the disposal of High Morality Group, the shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 February 2021

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