

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Ltd. take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **ZHONG HUA INTERNATIONAL HOLDINGS LIMITED**

### **中華國際控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1064)**

## **ANNOUNCEMENT PURSUANT TO RULE 13.09(2) OF THE LISTING RULES AND THE INSIDE INFORMATION PROVISIONS**

### **(1) RESTATEMENT OF INTERIM RESULTS FOR THE LAST PERIOD; AND (2) REDUCTION IN LOSS AS COMPARED TO THE RESTATED CORRESPONDING FIGURES**

This announcement is made by Zhong Hua International Holdings Limited (the “Company”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of The Securities and Futures Ordinance.

The purpose of this announcement is to alert shareholders and investors that the Company (i) would restate the Company’s condensed consolidated financial statements for the six months ended 30 June 2023 (the “Last Period”) as previously reported in the Company’s interim report dated 30 August 2023 (the “Interim Report 2023”); and (ii) may record a reduction in net loss (before taxation) for the six months ended 30 June 2024 (the “Current Period”) as compared to the restated corresponding figures.

Reference is made to the Company’s annual report for the year ended 31 December 2023 (the “Annual Report 2023”). Terms used below shall adopt the same meanings as defined in the Annual Report 2023 unless otherwise specified.

As disclosed in the Annual Report 2023, pursuant to the Rescission Order granted by the Guangdong Court (*without prejudice by GZ Zheng Da*) on 15 May 2023, the Guangzhou Court granted the New Liquidation Order (*without prejudice by GZ Zheng Da*) on 7 August 2023 to the effect that GZ Zheng Da, a then major operating subsidiary of the Group, would be subject to a compulsory liquidation by Guangdong Jinzhen Law Firm (廣東金圳律師事務所) (the “New Liquidator”) appointed by the Guangzhou Court.

Subsequent to the issue of a receivership notice in September 2023, no further action appeared to be taken by the New Liquidator. Up to the date of this announcement, the name of liquidator of GZ Zheng Da as filed with the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) is not the New Liquidator but remains as Guangdong Guoding Law Firm (廣東國鼎律師事務所), the former liquidator which should suspend its duties once the Liquidation Dismissal Order was granted by the Guangzhou Court in May 2021. Meantime, GZ Zheng Da's operation remained usual to-date, as the case for the past years.

Taking into consideration that the operation of GZ Zheng Da might be frustrated by the New Liquidation Order in the foreseeable future until and when the said order was proved to be inoperative or dismissed by law, the Directors, at the board meeting held on 15 April 2024, considered that the Management might not be able to demonstrate that the Group could fulfill all the criteria prescribed under HKFRS 10 *Consolidated Financial Statements* in relation to its control over GZ Zheng Da and hence the Group lost the control over GZ Zheng Da under HKFRS 10 *Consolidated Financial Statements* with effect from 15 May 2023 and GZ Zheng Da was derecognised as a then subsidiary. Such equity interest in GZ Zheng Da was then classified as financial asset at fair value through profit or loss and was included as "Equity interest in an entity at fair value through profit or loss" on the Company's consolidated statement of financial position as at 31 December 2023. Accordingly, a significant loss of HK\$1,708 million on derecognition of GZ Zheng Da, a then subsidiary, was resulted representing the difference between the fair value of the equity interest in GZ Zheng Da and the original carrying amounts of the respective assets and liabilities of GZ Zheng Da as disclosed in the Annual Report 2023. This loss was non-cash transaction and unrealised loss as well as reflected in the movements of reserve accounts of the Group through profit and loss. This loss recorded in the Company's consolidated financial statements did not have any impact on the liquidity of the Group for the year ended 31 December 2023.

The Company's condensed consolidated financial statements for the Last Period was previously prepared based on consolidation of GZ Zheng Da as disclosed in the Interim Report 2023. As a result of derecognition of GZ Zheng Da with effect from 15 May 2023 for factors and consideration stated above, the amounts presented in the Group's condensed consolidated financial statements for the Last Period had been restated to the effect that GZ Zheng Da was derecognised on 15 May 2023.

With reference to the latest management consolidated account of the Company for the Last Period (prepared based on de-recognition of GZ Zheng Da), the Group's restated net loss (before taxation) is estimated to be approximately HK\$1,752,000,000 (*provisional figure*) instead of net profit (before taxation) of HK\$2,171,000 as previously stated in the Interim Report 2023 (prepared based on consolidation of GZ Zheng Da). The estimated net loss (before taxation) of the Group was mainly attributable to a loss of derecognition of a then subsidiary, GZ Zheng Da, of approximately HK\$1,708,000,000 (*provisional figure*). This loss was non-cash transaction and unrealised loss as well as reflected in the movements of reserve accounts of the Group through profit and loss.

With reference to the latest management consolidated account of the Company for the Current Period and the Last Period, the Group is expected to record a net loss (before taxation) of approximately HK\$28,000,000 (*provisional figure*) for the Current Period as compared to the net loss (before taxation) of approximately HK\$1,752,000,000 (restated) (*provisional figure*) for the Last Period (instead of the net profit (before taxation) of HK\$2,171,000 as previously stated in the Interim Report 2023). The reduction in the Company's estimated net loss (before taxation) for the Current Period is primarily attributed to the effect of (i) no loss on de-recognition of a then subsidiary for the Current Period (Last Period: approximately HK\$1,708,000,000 (*provisional figure*)); (ii) fair value loss of equity interest in an entity of approximately HK\$28,000,000 (*provisional figure*) for the Current Period (Last Period: Nil (*provisional figure*)); and (iii) no revaluation deficit for the Current Period (Last Period: approximately HK\$45,000,000 (*provisional figure*)) arising from the Group's investment properties after taking reference with the preliminary valuation appraised by independent professional property valuers (the "Valuers") for the Current Period.

Please be cautioned that the above financial information are provided based on the Company's latest management consolidated accounts for the Current Period and the Last Period and preliminary valuation on the Group's investment property portfolio as at 30 June 2024 as appraised by the Valuers. **The above figures are provisional, unaudited and may be subject to further adjustment(s), if any.** The Management may (i) revise the management accounts of the Company's principal subsidiaries for the Current Period and the Last Period once and upon further updated financial information are available; (ii) make further impairment on assets, if any; or (iii) adjust the valuations of its investment properties and/or equity interest in an entity if the Valuers revise their preliminary property valuations (if they think fit).

It is expected that the Company will announce its consolidated results for the Current Period and its restated consolidated results for the Last Period on or about 28 August 2024.

By Order of the Board  
**Zhong Hua International Holdings Limited**  
**Ho Kam Hung**  
*Executive Director*

Hong Kong, 20 August 2024

*As at the date of this announcement, the board of directors of the Company comprises:(i) Ho Kam Hung as executive director; (ii) Young Kwok Sui as non-executive director; and (iii) Tam Kong, Lawrence, Wong Miu Ting, Ivy and Wong Kui Fai as independent non-executive directors.*