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)

PROFIT WARNING

This announcement is made by the board of directors (the "**Board**") of Zhongchang International Holdings Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on a preliminary review of the unaudited consolidated management accounts for the six months ended 30 June 2020 and other information currently available to the Company, the Group expects to record a consolidated loss after taxation of not less than HK$150 million for the six months ended 30 June 2020 as compared to a consolidated profit after taxation of HK$29.3 million for the corresponding period in 2019. Based on the information currently available to the Company, the consolidated loss after taxation for the six months ended 30 June 2020 was mainly attributable to (i) a significant fair value loss on investment properties in Hong Kong as compared to a fair value gain of approximately HK$27.3 million for the corresponding period in 2019; (ii) a substantial increase in share of loss of an associate (the "**Associate**"), which is engaged in property development in the People's Republic of China that was acquired by the Group in April 2019. Given that the development of the project is still ongoing, no revenue had been recognised by the Associate and a loss was recorded due to provision for impairment and other operating expenses incurred; (iii) the recognition of impairment of investment in the Associate due to a decline in expected selling prices of the properties under development by the Associate as compared with the expected selling prices at the time of acquisition; (iv) impairment for the Group's certain financial assets; and (v) write-down of properties held for sale to net realisable value in respect of properties under development by the Group.

The Group is still in the process of finalising its interim results for the six months ended 30 June 2020. The information above is only based on a preliminary assessment by the Board and other information currently available to the Company, which has not been reviewed by the auditors of the Company or the audit committee of the Company and may be subject to adjustments. Shareholders and potential investors are advised to read the interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be published in August 2020 pursuant to the requirements of the Listing Rules.

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
Ma Yilin
Chairman and Executive Director

Hong Kong, 30 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.