ZHONG HUA INTERNATIONAL HOLDINGS LIMITED

中華國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1064)

Update on Loss Warning

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.

Reference is made to the Company's announcement dated 20 March 2024 pertaining to a loss warning statement (the "March 20 Announcement"). Reference is also made to the Company's announcements dated 27 March 2024, 23 April 2024 (the "April 23 Announcement"), 30 May 2024 and 21 June 2024. Terms used below shall adopt the same meanings as defined in the March 20 Announcement and the April 23 Announcement, unless otherwise specified.

The purpose of this announcement is to provide an update of the aforesaid matter as mentioned in the March 20 Announcement.

As stated in the March 20 Announcement, with reference to then management account of the Company and its subsidiaries (altogether the "Group"), the Group was expected to record a net loss (before taxation) of approximately HK$100,000,000 for the year ended 31 December 2023 (the "FY 2023") as compared to the audited net profit (before taxation) of HK$55,000,000 for the year ended 31 December 2022 (the "FY 2022").

Subsequent to the March 20 Announcement, the Company announced in the April 23 Announcement that the consolidated financial statements of the Company for FY 2023 would be revised to reflect the accounting treatment of de-consolidation of a then subsidiary, GZ Zheng Da. As such, the presentation and financial information of two sets of consolidated management accounts (i.e. with consolidation and de-consolidation of GZ Zheng Da) would be materially different.

With reference to the latest management account of the Group (prepared based on de-consolidation of GZ Zheng Da) for FY 2023, the Group is expected to record a revised net loss (before taxation) of approximately HK$1,739,000,000 (*provisional figure*) as compared to the audited net profit (before taxation) of HK$55,000,000 for FY 2022, instead of the estimated loss figure of HK$100,000,000 indicated in the March 20 Announcement.

The revised estimated loss for FY 2023 is primarily attributed to (i) loss on de-recognition of a then subsidiary, GZ Zheng Da, of approximately HK$1,708,000,000 (*provisional figure*) (2022: Nil); (ii) fair value gain of equity interest in an entity of approximately HK$16,000,000 (*provisional figure*) (2022: Nil); and (iii) a revaluation deficit of approximately HK$52,000,000 (*provisional figure*) arising from the Group's investment property portfolio, all of which located in Mainland China, after taking reference with the preliminary valuation appraised by independent professional property valuers (the "Valuers") as compared to the revaluation surplus of HK$50,700,000 (*audited figure*) recorded for FY2022.

Please be cautioned that the above financial information is provided based on the Company's draft consolidated account prepared in mid June 2024 and preliminary valuation on the Group's investment property portfolio as at 31 December 2023 as appraised by the Valuers. **The above figures are provisional and may be subject to further adjustment(s), if any**. The management of the Company may (i) revise the management accounts of the Company's principal subsidiaries for FY2023 once and upon further updated financial information are available; (ii) make further impairment on assets, if any; (iii) adjust the property revaluation deficit if the Valuers revise their preliminary property valuations (if they think fit); or (iv) make further audit adjustments as requested by the Company's auditor (the "Auditor"), if any. **All figures above are unaudited and without review by or agreement with the Auditor.**

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

Hong Kong, 26 June 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.