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)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Zhongchang International Holdings Group Limited (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 ("**Interim Period**"), together with the comparative figures for the six months ended 30 June 2025 as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Unaudited	
		Six months ended 30 June 2026	Six months ended 30 June 2025
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**13,030**	14,683
Other income, net	5	**44**	10
Net loss in fair value of investment properties	11	**(14,700)**	(16,400)
Staff costs	6	**(1,044)**	(1,386)
Depreciation of right-of-use assets	6	**–**	(428)
Other operating expenses		**(2,705)**	(2,275)
Loss from operations	6	**(5,375)**	(5,796)
Finance costs	7	**(22,557)**	(25,013)
Loss before tax		**(27,932)**	(30,809)
Income tax expense	8	**(677)**	(657)
Loss for the period		**(28,609)**	(31,466)

	Notes	Unaudited **Six months ended 30 June 2026** ***HK$'000***	Six months ended 30 June 2025 *HK$'000*
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		**189**	74
Other comprehensive income for the period, net of tax		**189**	74
Total comprehensive loss for the period		**(28,420)**	(31,392)
Loss for the period attributable to the owners of the Company		**(28,609)**	(31,466)
Total comprehensive loss for the period attributable to the owners of the Company		**(28,420)**	(31,392)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted			
– For loss for the period (in HK cents)	10	**(2.54)**	(2.80)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**Unaudited 30 June 2026 *HK$'000***	Audited 31 December 2025 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	11	**1,394,400**	1,409,100
		1,394,400	1,409,100
Current assets			
Trade and other receivables, deposits and prepayments	12	**4,113**	3,878
Tax recoverable		**251**	251
Cash and cash equivalents		**10,110**	11,129
		14,474	15,258
Current liabilities			
Other payables, deposits and accrued expenses	13	**9,360**	9,939
Interest-bearing bank and other borrowings	14	**385,583**	815,535
Tax payable		**3,750**	3,749
		398,693	829,223

	Notes	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
Net current liabilities		**(384,219)**	(813,965)
Total assets less current liabilities		**1,010,181**	595,135
Non-current liabilities			
Other payables and deposits	13	**3,711**	4,653
Interest-bearing bank borrowings	14	**443,731**	–
Deferred tax liabilities		**15,289**	14,612
		462,731	19,265
Net assets		**547,450**	575,870
CAPITAL AND RESERVES			
Share capital	15	**112,502**	112,502
Reserves		**434,948**	463,368
Total equity		**547,450**	575,870

Notes:

1. GENERAL INFORMATION

The Company was incorporated in Bermuda on 16 December 1999 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended).

The Company acts as an investment holding company and the principal activities of the Group are leasing of investment properties in Hong Kong.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

The functional currency of the Company is Hong Kong Dollars ("**HK$**") and the functional currency of its operation in the PRC is Renminbi ("**RMB**"). The condensed consolidated financial statements are presented in HK$, unless otherwise stated. The condensed consolidated financial statements has not been audited.

2. BASIS OF PREPARATION

Statement of compliance

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting* and the applicable disclosures required by the Rules Governing the Listing on Securities on the Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

Going concern

As at 30 June 2026, the Group's total current liabilities exceeded its total current assets by approximately HK$384,219,000 (31 December 2025: approximately HK$813,965,000). The Directors considered that the controlling shareholder of the Company has intention to provide continuing financial support to the Company so as to enable the Company to meet its liabilities as and when they fall due. Accordingly, the Directors believe that the Group has adequate resources to continue its operations in the foreseeable future of not less than 12 months from the end of the reporting period. Therefore, they are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial statements.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Assets*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards* – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents gross rental income from investment properties in Hong Kong.

The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the Directors, being the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

The Group's operating and reportable segment under *HKFRS 8 Operating Segments* is property investment – leasing of investment properties in Hong Kong. Accordingly, no operating segment is presented.

5. OTHER INCOME, NET

	Unaudited	
	Six months ended 30 June 2026	Six months ended 30 June 2025
	HK$'000	*HK$'000*
Bank interest income	**1**	9
Sundry income	**43**	1
	44	10

6. LOSS FROM OPERATIONS

	Unaudited	
	Six months ended 30 June 2026	Six months ended 30 June 2025
	HK$'000	*HK$'000*
The Group's loss from operations is arrived at after charging/(crediting):		
Directors' emoluments	**270**	270
Other staff costs	**774**	1,116
Total staff costs	**1,044**	1,386
Depreciation of right-of-use assets	**–**	428
Gross rental income from investment properties	**(13,030)**	(14,683)
Less: Direct operating expenses from investment properties that generated rental income during the period	**1,688**	1,458
	(11,342)	(13,225)

7. FINANCE COSTS

	Unaudited	
	Six months ended 30 June 2026	Six months ended 30 June 2025
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**22,557**	24,992
Interest on lease liabilities	**–**	21
	22,557	25,013

8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June 2026	Six months ended 30 June 2025
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax		
– Provision for the period	**–**	–
– Over-provision in prior years	**–**	(38)
	–	(38)
Deferred taxation		
– Charged to the condensed consolidated statement of profit or loss and other comprehensive income	**677**	695
	677	657

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (six months ended 30 June 2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2025: 16.5%).

Under the law of the PRC on EIT (the "**EIT Law**") and implementation regulation of the EIT Law, the PRC subsidiaries of the Group are subjected to PRC EIT of a rate of 25% (six months ended 30 June 2025: 25%).

9. INTERIM DIVIDEND

The Directors do not recommend any interim dividend for the Interim Period (six months ended 30 June 2025: Nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Unaudited	
	Six months ended 30 June 2026	Six months ended 30 June 2025
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the Company used in the basic and diluted loss per share calculation	**(28,609)**	(31,466)

	Six months ended 30 June 2026	Six months ended 30 June 2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share calculation	**1,125,027**	1,125,027

For the six months ended 30 June 2026 and 2025, the diluted loss per share is the same as the basic loss per share. The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 2025.

11. INVESTMENT PROPERTIES

	Completed investment properties, in Hong Kong
	HK$'000
FAIR VALUE:	
At 1 January 2026	1,409,100
Net loss in fair value recognised in the condensed consolidated statement of profit or loss and other comprehensive income	(14,700)
At 30 June 2026 (Unaudited)	**1,394,400**

The fair value of the Group's investment properties as at 30 June 2026 was determined by valuations carried out by Vincorn Consulting and Appraisal Limited (31 December 2025: Vincorn Consulting and Appraisal Limited), independent qualified professional valuers not connected to the Group.

The responsible valuers of Vincorn Consulting and Appraisal Limited are members of the Hong Kong Institute of Surveyors, and it has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on (i) the sales comparison approach, which involves an analysis of sales transactions of comparable properties within the neighbourhood area of the properties; and (ii) the income capitalisation approach, which involves estimating the rental incomes of the properties and capitalising them all on an appropriate rate to produce a capital value.

As at 30 June 2026 and 31 December 2025, the fair values of the investment properties were generally determined based on income capitalisation approach and by making reference to comparable rent and sales transactions of similar properties in the similar locations and conditions as available in the market to assess the market value of the investment properties. There have been no changes to the valuation techniques during the Interim Period.

The resulting decrease in fair value of investment properties of HK$14,700,000 (six months ended 30 June 2025: HK$16,400,000) has been recognised directly in the condensed consolidated statement of profit or loss and other comprehensive income for the Interim Period.

As at 30 June 2026, investment properties with a carrying amount in aggregate of HK$1,394,400,000 (31 December 2025: HK$1,409,100,000) were pledged as collateral for the Group's bank borrowings.

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited 30 June 2026 *HK$'000*	Audited 31 December 2025 *HK$'000*
Rental receivables *(Note (i))*	**2,142**	1,816
Less: Allowance for credit loss *(Note (ii))*	**(372)**	(372)
	1,770	1,444
Other receivables, deposits and prepayments, net of allowance for credit losses *(Note (iii))*	**2,343**	2,434
	4,113	3,878

Notes:

(i) The amount represents rental receivables for leasing of investment properties.

The Group maintains a defined and restricted credit policy to assess the credit quality of each counterparty or tenant. The collection is closely monitored to minimise any credit risk associated with these rental receivables.

The ageing analysis of the Group's rental receivables net of allowances of credit losses is as follows:

	Unaudited 30 June 2026 *HK$'000*	Audited 31 December 2025 *HK$'000*
0 to 30 days	**213**	268
31 to 60 days	**178**	257
61 to 90 days	**193**	291
91 to 180 days	**546**	622
181 to 365 days	**640**	6
	1,770	1,444

Rental receivables that were past due but not impaired relate to a number of independent tenants that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(ii) The movement in the allowance for credit losses of trade receivables are as follows:

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
At 1 January	**372**	–
Impairment losses	**–**	372
At 30 June/31 December	**372**	372

(iii) The amount represents other receivables, deposits and prepayments:

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
Prepayments	**256**	25
Deposits and other receivables	**290,379**	279,634
Prepaid tax	**15**	14
	290,650	279,673
Less: Allowance for credit losses	**(288,307)**	(277,239)
Total	**2,343**	2,434

The movements in the allowance for credit losses of other receivables, deposits and prepayments are as follows:

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
At 1 January	**277,239**	270,446
Exchange realignment	**11,068**	6,793
At 30 June/31 December	**288,307**	277,239

13. OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
Rental deposits received	**7,937**	8,941
Other payables and accrued expenses	**4,905**	5,445
	12,842	14,386
Contract liabilities *(Note)*	**229**	206
	13,071	14,592
Analysed into:		
Non-current portion	**3,711**	4,653
Current portion	**9,360**	9,939
	13,071	14,592

Note:

Details of contract liabilities are as follows:

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
Short-term advance payments received from tenants	**229**	206

Contract liabilities include short-term advance payments received from tenants, which is related to advance rental payments from tenants at the end of the reporting period.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Effective interest rate	***HK$'000***	Effective interest rate	*HK$'000*
Current				
Bank loans – secured	**HIBOR plus 1.25%**	**144,715**	HIBOR plus 1.25%	589,810
Other loans – unsecured	**10%-12%**	**240,868**	10%-12%	225,725
		385,583		815,535
Non-current				
Bank loans – secured	**HIBOR plus 1.25%**	**443,731**	–	–
		829,314		815,535

The carrying amount of the above bank and other borrowings are repayable as follows:

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
On demand or within one year	**385,583**	815,535
In the second year	**19,644**	–
In the third to fifth years, inclusive	**424,087**	–
	829,314	815,535

On 26 June 2026, Top Bright Properties Limited, a subsidiary of the Company, as borrower, entered into an amendment agreement relating to a facility agreement dated 20 March 2018 with Hang Seng Bank Limited. Pursuant to the amended agreement with scheduled repayment of principal and interest, the final maturity date of interest-bearing bank borrowings were extended to 31 March 2029, with security arrangements remain unchanged.

As at 30 June 2026, interest payable of approximately HK$42,504,000 (31 December 2025: approximately HK$29,725,000) was included in bank and other borrowings.

The bank borrowings are secured by the Group's assets which were set out in the section "Charges on Group Assets" of this announcement.

Details of corporate guarantees of the Group were set out in the section "Corporate Guarantee" of this announcement.

15. SHARE CAPITAL

	Number of shares		Amount	
			Unaudited	Audited
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised:				
Ordinary of shares of HK$0.10 each	**2,000,000**	2,000,000	**200,000**	200,000
Issued and fully paid	**1,125,027**	1,125,027	**112,502**	112,502

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

During the Interim Period, the Group's revenue was primarily derived from rental income generated from its investment properties in Hong Kong, which are mainly situated at prime retail and shopping locations in Causeway Bay, Hong Kong Island.

The first half of 2026 has been another challenging period for the Group. Global economic uncertainties, geopolitical tensions, changes of consumption patterns of visitors and residents, intensified e-commerce competition as well as reduced demand due to outbound travel and cross-border shopping in Shenzhen have continued to exert pressure on the local retail market. The business prospect of the Group has been highly correlated with the retail consumption situation in Hong Kong. For the first half of 2026, it was provisionally estimated by the Hong Kong Census and Statistics Department that the value of total retail sales in Hong Kong increased by 9.6% compared with the same period in 2025. However, comparing the first half of 2026 with the same period in 2025, total restaurant receipts in Hong Kong increased by 0.8% in value but decreased by 0.1% in volume. Retailer sentiments in general are still cautious, particularly with regard to major lease commitments. Domestic demand showed signs of revival, somewhat unevenly, supported by a recovering residential property market and generally improving consumer confidence.

Property leasing business

During the Interim Period, the Group recorded rental income from investment properties of approximately HK$13.0 million (six months ended 30 June 2025: approximately HK$14.7 million).The decrease in rental income was primarily attributable to the negative rental reversion arising from renewal of certain existing tenancy agreements and the decline in the occupancy rate as compared to the corresponding period of last year.

As at 30 June 2026, the investment property portfolio of the Group achieved an occupancy rate (as measured by the percentage of total leased lettable area over the total lettable area of the Group's portfolio) of approximately 63.7% (31 December 2025: approximately 67.2%). Jardine Center remained as the Group's core and steady income generator, accounted for approximately 74.1% of the total revenue of the Group during the Interim Period.

During the Interim Period, the Group remained focused on further bolstering the resilience of its core business of property leasing in Hong Kong, particularly in Causeway Bay, in order to preserve its long-term competitiveness and ensure sustainable development in this challenging market. The investment properties of the Group are mainly situated in the prime shopping district of Causeway Bay in Hong Kong. During the Interim Period, the tenants of the Group were mainly engaged in catering, beauty parlour and other retailing businesses.

Set out below is a table summarising the valuation of the investment properties portfolio of the Group in Hong Kong as at the end of the Interim Period and 31 December 2025, and revenue contribution of the investment properties portfolio of the Group in Hong Kong for the Interim Period as compared to that for the six months ended 30 June 2025:

	Valuation of investment properties as at 30 June 2026	Valuation of investment properties as at 31 December 2025	**Decrease in fair value of investment properties**	**Revenue for the six months ended 30 June 2026**	Revenue for the six months ended 30 June 2025	**Increase/ (decrease) in revenue**
	HK$'000	*HK$'000*	***HK$'000***	***HK$'000***	*HK$'000*	**%**
Causeway Bay						
Jardine Center, No.50 Jardine's Bazaar[1]	**1,137,000**	1,149,000	**(12,000)**	**9,659**	11,308	**(14.6)**
Ground Floor and Cockloft Floor, No.38 Jardine's Bazaar[2]	**65,300**	66,800	**(1,500)**	**998**	965	**3.4**
First Floor, Nos.38 and 40 Jardine's Bazaar[3]	**6,800**	6,800	**–**	**256**	246	**4.1**
Ground Floor including Cockloft, No.41 Jardine's Bazaar[2]	**82,900**	83,700	**(800)**	**1,025**	1,072	**(4.4)**
Ground Floor, No.57 Jardine's Bazaar[2]	**70,800**	71,000	**(200)**	**1,092**	1,092	**–**
Mid-Levels						
Shop No.1 on Ground Floor of K.K. Mansion, Nos.119, 121 & 125 Caine Road[2]	**31,600**	31,800	**(200)**	**–**	–	**–**
Total	**1,394,400**	1,409,100	**(14,700)**	**13,030**	14,683	**(11.3)**

(1) 24-storey commercial building
(2) Street-shop
(3) Upstairs shop

As at 30 June 2026, the investment properties of the Group were revalued at HK$1,394.4 million (31 December 2025: HK$1,409.1 million) by an independent professional valuer. During the Interim Period, the loss in fair value of investment properties of HK$14.7 million (six months ended 30 June 2025: HK$16.4 million) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income. The loss in fair value of investment properties was mainly due to challenging macro environment.

OUTLOOK

Looking ahead, the retail operating environment is expected to remain challenging amid ongoing macroeconomic and geopolitical uncertainties, and structural shifts in consumption patterns. While the retail sector continues to adapt to the changes in consumption patterns of visitors and residents, the Hong Kong Government's proactive efforts in promoting tourism and mega events, in tandem with the Central Government's consumption stimulus measures and sustained steady growth of the Mainland economy, will help bolster consumption sentiment and support the local consumption market. The Group also believes that Hong Kong Government's measures to attract talent and promote Hong Kong as a business headquarters will have a positive impact on the retail market.

Under the impact of ongoing uncertainties, the Group will continue to focus on its core business in property leasing and will continue to act with prudence and caution. The Group will continue with its best effort to adopt prudent capital management and liquidity risk management in order to preserve adequate buffer to meet the challenges ahead.

Looking ahead into the second half of 2026, steady inbound tourism and a stabilizing residential property market, which should provide positive wealth effect, are expected to support consumer confidence and domestic spending. The Group will continue to proactively adjust its tenant mix and enhance its operational efficiency. As the investment properties of the Group are mainly situated in the prime shopping district of Causeway Bay in Hong Kong, the Group believes it remains well-paced to capture potential growth opportunities during the recovery of Hong Kong's tourism and retail sector.

FINANCIAL REVIEW

Revenue

For the Interim Period, the revenue of the Group amounted to approximately HK$13.0 million, representing a decrease of approximately 11.3% from approximately HK$14.7 million recorded in the corresponding period of last year. The decrease in rental income was primarily attributable to the negative rental reversion arising from renewal of certain existing tenancy agreements and the decline in the occupancy rate as compared to the corresponding period of last year.

Other income

Other income for the Interim Period was approximately HK$0.04 million (six months ended 30 June 2025: approximately HK$0.01 million). The increase was mainly due to increase in sundry income during the Interim Period as compared with the corresponding period of last year.

Staff costs

For the Interim Period, the Group's staff costs amounted to approximately HK$1.0 million, representing a decrease of approximately 24.7% from approximately HK$1.4 million recorded in the corresponding period of last year. The decrease in staff costs was mainly due to departures of certain staff during the six months ended 30 June 2025.

Other operating expenses

Other operating expenses amounted to approximately HK$2.7 million for the Interim Period, representing an increase of approximately 18.9% from approximately HK$2.3 million recorded in the same period of last year. Other operating expenses mainly comprised of investment properties operating costs, professional fees and general administrative costs.

Net loss in fair value of investment properties

As at 30 June 2026, the investment properties of the Group were revalued at HK$1,394.4 million (31 December 2025: HK$1,409.1 million) by an independent professional valuer. During the Interim Period, a fair value loss on investment properties of HK$14.7 million was recognised in the condensed consolidated statement of profit or loss and other comprehensive income. The fair value loss on the investment properties was primarily due to challenging macro environment.

Finance costs

For the Interim Period, finance costs of the Group amounted to approximately HK$22.6 million, representing a decrease of approximately 9.8% from approximately HK$25.0 million recorded in the corresponding period of last year. Such decrease was mainly attributable to the decrease in bank loan interest rate during the Interim Period.

Loss for the period attributable to the owners of the Company

Loss for the period attributable to the owners of the Company for the Interim Period amounted to approximately HK$28.6 million (six months ended 30 June 2025: loss of approximately HK$31.5 million). As a result of the reasons mention above, the loss for the Interim Period was primarily due to loss in fair value of investment properties of HK$14.7 million and finance costs of approximately HK$22.6 million incurred.

Liquidity and financial resources

The Group's business operations were generally funded by its internal resources and bank and other borrowings.

As at 30 June 2026, the Group's outstanding bank and other amounted to approximately HK$829.3 million (31 December 2025: approximately HK$815.5 million), of which outstanding bank and other borrowings amounted to approximately HK$385.6 million are repayable within one year and outstanding bank borrowings amounted to approximately HK$443.7 million are repayable after one year.

As at 30 June 2026, the Group maintained cash and cash equivalents of approximately HK$10.1 million (31 December 2025: approximately HK$11.1 million). The decrease in cash and cash equivalents was mainly attributable to payment of interest on bank borrowings during the Interim Period.

The breakdown of the interest-bearing bank and other borrowings are as follows:

(1) As at 30 June 2026, pursuant to loan agreements entered into between China Cinda (HK) Asset Management Co., Limited ("**China Cinda (HK)**"), a controlling shareholder of the Company, and the Company on 28 December 2023 and 29 August 2025, China Cinda (HK) granted unsecured loans in aggregate principal amount of HK$200.0 million to the Company on normal commercial terms with fixed interest rates. As at 30 June 2026, the accrued interest of the aforesaid shareholder loans was approximately HK$40.87 million. The maturity date of the aforesaid shareholder loans is 31 March 2027.

(2) As at 30 June 2026, the total outstanding loan principal together with accrued interest owed to Hang Seng Bank amounted to approximately HK$588.4 million. On 26 June 2026, Top Bright Properties Limited, a wholly-owned subsidiary of the Company as borrower, entered into an amendment agreement relating to a facility agreement dated 20 March 2018 with Hang Seng Bank Limited. Pursuant to the amended agreement with scheduled repayment of principal and interest, the final maturity date of interest-bearing bank borrowings were extended to 31 March 2029, with security arrangements remain unchanged.

The Group's gearing ratio as at 30 June 2026, which is calculated on the basis of total liabilities over total assets, was approximately 61.1% (31 December 2025: approximately 59.6%). The current ratio of the Group, which is calculated by dividing current assets over current liabilities as at 30 June 2026, was approximately 0.04 (31 December 2025: approximately 0.018). The increase in current ratio as at 30 June 2026 as compared to 31 December 2025 was mainly due to reclassification of portion of the interest-bearing bank borrowings to non-current liabilities upon extension of final maturity date of interest-bearing bank borrowings.

As at 30 June 2026, the Group recorded net current liabilities of approximately HK$384.2 million (31 December 2025: approximately HK$814.0 million). The net current liabilities were mainly due to maturity of the Group's bank and other borrowings which were repayable within one year. The Group's ability to continue as a going concern largely depends on the sufficiency of financial resources available to the Group. The Directors considered that the controlling shareholder of the Company has the intention to provide continuing financial support to the Company. Accordingly, the Directors are of the view that, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within one year.

Capital structure

As at 30 June 2026, the issued share capital of the Company was 1,125,027,072 ordinary shares. During the Interim Period, there was no movement of the issued share capital of the Company.

As at 30 June 2026, the unaudited net assets of the Group amounted to approximately HK$547.5 million, representing a decrease of approximately 4.9% from the net assets of approximately HK$575.9 million as at 31 December 2025. With the total number of 1,125,027,072 ordinary shares in issue as at 30 June 2026, the net assets value per share was approximately HK$0.49 (31 December 2025: approximately HK$0.51).

Treasury Policy

The Group's transactions and its monetary assets and liabilities are principally denominated in HK$ and RMB. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Group does not use any financial instruments for hedging purpose.

INTERIM DIVIDEND

The Directors do not recommend any interim dividend for the Interim Period (six months ended 30 June 2025: Nil).

CORPORATE GUARANTEE

As at 30 June 2026, the Company provided corporate guarantee to Hang Seng Bank for securing banking facilities granted to its subsidiaries which amounted to HK$1,127 million (31 December 2025: HK$1,127 million).

CHARGES ON GROUP ASSETS

As at 30 June 2026, the Group has pledged the following assets:

(a) Investment properties in Hong Kong with an aggregate carrying amount of HK$1,394.4 million for securing the Group's bank borrowings;

(b) Share mortgage of certain subsidiaries for securing their respective bank borrowings; and

(c) Rent assignments in respect of the investment properties held by the Group.

CONTINENT LIABILITIES

As at 30 June 2026, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had 3 employees (31 December 2025: 3 employees). The Group offers its employees competitive remuneration packages which commensurate with their performance, experience and job responsibilities. The Group also provides other benefits including but not limited to medical insurance, discretionary bonus and mandatory provident fund schemes.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have significant investments, material acquisitions and disposals during the Interim Period.

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 30 June 2026 and up to the date of this announcement.

NO MATERIAL CHANGES

Since the publication of our audited financial statements for the year ended 31 December 2025 on 27 March 2026, there have been no material changes to our business.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Interim Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company recognises the importance of corporate transparency and accountability. The Company has adopted a corporate governance code prepared based on the code provisions (the "**Code Provisions**") of the latest code on corporate governance (the "**CG Code**") as set out in Appendix C1 to Listing Rules from time to time as the guidelines for corporate governance of the Company and has complied with the CG Code throughout the Interim Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' securities transactions. Following specific enquiry by the Company, all the Directors have confirmed that they have fully complied with the Model Code for the Interim Period.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") comprises two independent non-executive Directors, namely, Mr. Yip Tai Him (Chairman) and Mr. Liu Xin and one non-executive Director, namely, Ms. Yu Dan. The Audit Committee has reviewed and discussed with management the accounting standards and practices adopted by the Group, risk and internal controls and financial reporting matters and has reviewed the consolidated financial information for the Interim Period as set out in this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Company at www.zhongchangintl.hk and the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The interim report of the Company for the six months ended 30 June 2026 will be despatched to the shareholders upon their request and will be available on the above websites in due course.

APPRECIATION

Finally, I would like to take this opportunity to thank the Group's shareholders and business partners for their support and encouragement to the Group during the past six months. I would also like to thank our Directors and all staff member of the Group for their hard work and contribution to the Group.

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

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Mr. Chen Zhiwei (Chairman), Ms. Ku Ka Lee and Mr. Wu Hao as executive directors; Mr. Wu Jun, Mr. Wong Chi Keung, Kenjie, Ms. Yu Dan as non-executive directors; and Mr. Liew Fui Kiang, Mr. Liu Xin and Mr. Yip Tai Him as independent non-executive directors.