ZHONG HUA INTERNATIONAL HOLDINGS LIMITED
中華國際控股有限公司

(Incorporated in Bermuda with limited liability)
Stock Code: 1064

INTERIM REPORT 2026

The Celebration Wine for the 105^{th} Anniversary of Foundation of the Chinese Communist Party Sponsored by the Group

本集團贊助之中國共產黨成立105週年獻禮酒

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Corporate Information

BOARD OF DIRECTORS

Executive Director

Ho Kam Hung

Non-Executive Director

Young Kwok Sui

Independent Non-Executive Directors

Wong Kui Fai
Wong Miu Ting, Ivy
Tam Kong, Lawrence

COMPANY SECRETARY

Lee Tao Wai *(CPA, BBA, LLM, MIM)*

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PRINCIPAL OFFICE IN CHINA

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AUDITOR

Ernst & Young
Certified Public Accountants and
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance

LEGAL ADVISERS

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As to Bermuda Law
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PROPERTY VALUERS

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Hong Kong

PRINCIPAL BANKERS

China Minsheng Bank
Nanyang Commercial Bank, Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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COMPANY WEBSITE

https://www.irasia.com/listco/hk/zhonghua

LISTING AND STOCK CODE

The Main Board of The Stock Exchange of Hong Kong Limited: 1064

The Board of Directors (the "Directors") of Zhong Hua International Holdings Limited (the "Company") would like to announce the unaudited consolidated results of the Company for the six months ended 30 June 2026 (the "Period"), together with the comparative figures for the corresponding period in 2025 (the "Last Period"), as follows:

FINANCIAL REVIEW

The Company recorded a revenue of HK$16,516,000 (2025: HK$15,502,000) for the Period. Profit attributable to equity holders of the Company for the Period was HK$16,158,000 (2025: HK$10,165,000). There were no material changes in the Group's turnover during the Period.

Adjusted EBITDA

The Adjusted EBITDA of the Group for the Period was profit of HK$5,946,000 (2025: HK$2,906,000). Adjusted EBITDA refers to the earnings before interest, tax and depreciation and does not take into account the effect of changes in fair value of investment properties and changes in fair value of equity interest in an entity at fair value through profit or loss. EBITDA is a commonly used alternate measure of profitability to net income. By excluding depreciation and amortisation as well as taxes and debt payment costs, EBITDA attempts to represent the cash profit generated by the operations of the Company and its subsidiaries (collectively the "Group"). On this ground, the Group also excluded additional non-cash items (namely (i) changes in fair value of investment property; and (ii) changes in fair value of equity interest in an entity at fair value through profit or loss) that significantly affected the Company's net income that are non-cash in nature to achieve this goal in reviewing the Company's performance.

Profit Attributable To Equity Holders

The Group's profit before tax and profit after tax for the Period were HK$60,006,000 (2025: HK$43,202,000) and HK$56,794,000 (2025: HK$40,564,000), respectively.

The increase in profit for the Period is mainly attributable to the fair value gain of equity interest in an entity of HK$54,236,000 during the Period (2025: HK$40,464,000), which was mainly derived from appreciation of Renminbi during the translation process took place the Period. Such fair value gain was non-cash transaction and unrealised in the Group's condensed consolidated income statement.

After taking into account the non-controlling interests of the Group, the Group recorded a profit attributable to equity holders of the Company of HK$16,158,000 this Period (2025: HK$10,165,000).

FINANCIAL REVIEW *(Cont'd)*

Liquidity and Financial Resources

During the Period, the Group's operations were financed mainly by cash flows generated from business operations. The Group's net cash flows from operating activities during the Period were HK$8,061,000 (2025: HK$6,026,000).

As at 30 June 2026, the Group had cash and bank balances of HK$68,596,000 (31 December 2025: HK$59,405,000).

The Group's exposure to interest rate fluctuation was minimal in the past years.

The Group's gearing ratio was 0.09 as at 30 June 2026 (31 December 2025: 0.09), calculated based on the Group's amount due to a director of HK$130,128,000 (31 December 2025: HK$130,639,000) over total assets of HK$1,477,549,000 (31 December 2025: HK$1,402,541,000). The Group maintained a relatively low gearing ratio in the past years. The Group's financial resources are able to meet its capital expenditure and working capital requirements for coming twelve months from the date of this report.

The Group's exposure to interest rate fluctuation was minimal during the Period and the Last Period.

Assets

As at 30 June 2026, the Group's net current assets, net assets and total assets amounted to HK$6,226,000 (31 December 2025: HK$2,303,000), HK$1,061,164,000 (31 December 2025: HK$998,452,000) and HK$1,477,549,000 (31 December 2025: HK$1,402,541,000), respectively.

Exchange Rate Risk

The Group's principal operations are located in China while the financial statements of these operating subsidiaries are reported in Renminbi. The Company may expose to exchange rate risk when transactions and financial statements of these operating subsidiaries reported in Renminbi are consolidated to the Company's condensed consolidated financial statements which are reported in Hong Kong dollars. The Group did not take measures such as execution of forward hedging or exchange swap instruments to hedge the potential impact arising from adverse currency fluctuation between Renminbi and Hong Kong dollars in the past years. Given the exchange rates between Renminbi and Hong Kong dollars were not fluctuated materially in the past years, the Group could reasonably assess the trend of exchange rates between the two currencies in order to reduce its adverse impact to the Company's condensed consolidated financial statements as far as practicable.

FINANCIAL REVIEW *(Cont'd)*

Significant investments

As at 30 June 2026, the Group held equity interest in an entity at fair value through profit or loss of HK$1,060,025,000 (31 December 2025: HK$1,005,789,000), representing approximately 72% (31 December 2025: 72%) of the total assets of the Group. This investment is held by Zheng Da Real Estate Development Company Limited ("HK Zheng Da"), a 25% owned subsidiary of the Group and directly holds entire equity interest in 廣州市正大房地產開發有限公司 (Guangzhou Zheng Da Real Estate Development Company Limited) ("GZ Zheng Da"), details of which are disclosed in the section headed "Business Review" below. Gain on fair value changes in equity interest in an entity of changes of HK$54,236,000 was recognised in the Company's condensed consolidated income statement for the Period (2025: HK$40,464,000). Save as disclosed above, the Group had no other significant investment of carrying value of 5% or more of its total assets as at 30 June 2026 (31 December 2025: Nil).

Charges on Assets

As at 30 June 2026, none of the Group's assets were pledged (31 December 2025: Nil).

Contingent Liability

As at 30 June 2026, there was no material contingent liability recorded by the Group (31 December 2025: Nil).

INTERIM DIVIDEND

The Directors did not recommend the distribution of interim dividend for the Period (2025: Nil).

UPDATE OF USE OF PROCEEDS

On 15 April 2020, it was announced in the Company's announcement (the "New Issue Announcement") that the Company entered into a subscription agreement (the "Subscription Agreement") with Link Tide Investments Limited, a private company incorporated in the British Virgin Islands and an independent third party, in respect of subscription and issue of 108,000,000 new shares in the capital of the Company at an issue price of HK$0.15 per share pursuant to the Company's general mandate granted on 18 June 2019 (the "New Issue"). All conditions precedent as set out in the Subscription Agreement were satisfied and the New Issue was completed on 27 April 2020. Further details of the New Issue were disclosed in the New Issue Announcement.

UPDATE OF USE OF PROCEEDS *(Cont'd)*

The net proceeds raised from the New Issue applied up to 30 June 2026 are as follows:

Intended use of the net proceeds as stated in the Now Issue Announcement			Proceeds utilised as at 30 June 2026	Proceeds unutilised as at 30 June 2026	
Category	**Net amount** *(HK$ in million)*	**Percentage**	**Net amount** *(HK$ in million)*	**Remaining amount** *(HK$ in million)*	**Expected schedule of use**
Redevelopment costs of a redevelopment project in Guangzhou, China	12.0	74.5%	–	12.0	On or before 30 June 2027
General working capital	4.1	25.5%	4.1	–	–
Total	**16.1**	**100%**	**4.1**	**12.0**	

Following the derecognition of GZ Zheng Da from the Group resulting in GZ Zheng Da not being regarded as a subsidiary of the Group, the Directors will consider if the intended use of proceeds of HK$12 million originally assigned for costs of the re-development project of GZ Zheng Da should be re-allocated for other purposes or not. Further announcement will be made once a decision is made by the Company.

The Group held the unutilised net proceeds in short-term deposits with banks as at 30 June 2026. Save as disclosed above, there was no unutilised proceed brought forward from any issue of equity securities made in previous years.

ISSUE OF EQUITY SECURITIES

During the Period, the Company had not issued any equity securities (including securities convertible into equity securities) or sale of treasury shares for cash.

BUSINESS REVIEW

The Group is principally engaged in property development, investment and management businesses in China. On an ongoing basis, the Group also explores investment and business opportunities in "novel and quality productivity (新質生產力)" related projects in China.

Property Investment

The Group's property interest in Chongqing is situated at Chaotianmen, Yuzhong District, Chongqing (重慶市渝中區朝天門). The Guang Yu Square (港渝廣場) is a 15-storey commercial building with a total gross floor area of about 49,400 square metres, out of which the Group owns portion of Basement, Levels 1 to 4, Levels 8 and 11 with total gross floor area of about 24,200 square metres. The property, which has been fully refurbished in 2016, is presently a multi-floor shopping mall focusing in wholesale and retailing of men's wear and footwear. There are about 50-70 shops per level with shop area ranging from 20–60 square metres per shop. Most shops are leased to unsolicited third parties for a term of about one year renewable automatically with prevailing market rental. The shopping mall (the floors owned by the Group) is almost fully occupied and shop turnover rate is maintained at an acceptable level. Given Chaotianmen has been one of the major clothing distribution points in Chongqing for nearby cities and the Three Gorges region (三峽地區) for decades, Guang Yu Square is one of the most popular men's wear and footwear wholesale points in the region.

During the Period, the Gang Yu Square provided a steady cash flow and substantiated the working capital requirements of the Group. Given the prime location of the investment property in the central business district (CBD) of Chongqing, the Directors will strive to enhancing the property's competitive advantages and is confident that it will continue to provide a relatively steady revenue to the Group in the foreseeable future.

Property Development

GZ Zheng Da, the Group's former subsidiary, has a property interest situated at Yuexiu District, Guangzhou (廣州市越秀區). The development site (previously named as Metropolis Shoes City (廣州大都市鞋城)) is located at the east of Jiefang Road South (解放南路), to the south of Daxin Road (大新路), to the north of Yede Road (一德路) and to the west of Xieen Lane (謝恩里) in Yuexiu District which is within walking distance of about 3 minutes to the Old Hall (舊館) of the Canton Fair (廣州交易會), which was once the only export window in China before its Reform and Open Door Policy (改革開放政策) implemented in 1978 and within walking distance of about 5 minutes to the riverbank of the Pearl River (珠江), the icon of Guangzhou.

BUSINESS REVIEW *(Cont'd)*

Property Development *(Cont'd)*

Pending to the surrender of the last block of a 7-storey building being occupied by an individual owner (小業主), the re-development project is intended to be developed into an avant-garde commercial building complex with twin towers and 3-level basement for wholesale and exhibition hall facilities, office and service apartment uses with ancillary facilities such as carpark and loading/unloading bays with total gross floor area of about 234,000 square metres.

According to the latest construction schedule (assuming the compulsory liquidation against GZ Zheng Da is rescinded and construction commences in late 2027), it is expected that the re-development project will take about four years for completion by two phases, the first of which will be completed in late 2029 soonest and the second stage will be completed in late 2031. Subject to the grant of inspection and safety permits by the relevant regulatory authorities, it is expected that the new commercial complex will commence business and generate rental revenue to the Group at its earliest in early 2030.

Properties Held for Sale

GZ Zheng Da, the Group's former subsidiary, had a portfolio of about 190 residential units ranging from 20 square metres to 70 square metres each unit with total gross area of about 11,000 square metres. These residential units were constructed in late 1990s for the purpose of interim resettlement of occupiers who surrendered their units to GZ Zheng Da for demolition of the development site in Yuexiu District but remained vacant or available-for-sale as to-date.

New Business Venture

The Group has been continuously exploring investment and business expansion opportunities related to "novel and quality productivity" ("新質生產力"). In late 2025, the Group established a new division within its construction engineering department to provide one-stop integrated charging solutions for public and private sector clients in the Greater Bay Area. The business venture remains at its pilot stage and focuses on pilot operation of charging station specialising for heavy load trucks. It is expected the new venture will take one to two years for generating significant contributions to the Group.

Legal Update on the Liquidation Petition against GZ Zheng Da

Shareholders and investors are urged to refer to the Company's annual report for the year ended 31 December 2025 (the "Annual Report 2025") for the background, developments and the Management's position on the Liquidation Petition. Terms used below shall adopt the same meanings as defined in the Annual Report 2025.

BUSINESS REVIEW *(Cont'd)*

Legal Update on the Liquidation Petition against GZ Zheng Da *(Cont'd)*

The Second Liquidation proceeded for three years since its filing (立案) in August 2023. If taking into account the First Liquidation pleaded in 2009, Yuefang PE's liquidation petition against GZ Zheng Da continued for about 17 years but the liquidator remained not yet "reported" its duties at the Guangzhou Administration for Market Regulations (廣州市市場監督管理局) to-date. Reason unknown.

After probing into the Second Liquidation for three years, the Company is of the view that:

(1) GZ Zheng Da never triggered the event of so called "statutory company dissolution (法定公司解散事由)" in 2008 and hence did not fulfill the first pre-requisite of the Liquidation Petition by law;

(2) Yuefang PE was neither the registered shareholder (記名股東) nor the beneficial equity shareholder (實益權益股東) of GZ Zheng Da in 2009 (and to-date) and hence did not fulfill the second pre-requisite of the Liquidation Petition by law;

(3) the court's collegial panel (合議庭) not yet granted a "ruling on liquidation (清算受理裁定)" for the Second Liquidation to-date, as the case for the First Liquidation, and hence the Second Liquidator is "defunct to proceed liquidation by law (未能依法清算)" against GZ Zheng Da; and

(4) it is cautious optimistically expected that the Second Liquidation would be "dismissed" by the court's collegial panel again, as the case for the First Liquidation in 2021.

MATERIAL ACQUISITION UPDATE

The Group was engaged in a material acquisition, details of which were disclosed in the Annual Report 2025. Terms used below shall adopt the same meanings as defined in the Annual Report 2025. Latest development of the said acquisition is summarised below.

Notwithstanding GZ Zheng Da, the underlying operating company of HK Zheng Da, had been frustrated by a questionable liquidation plead for years, the Company reiterated that the liquidation plead was not substantiated by both facts and law and hence was confident that the action would be inoperative or dismissed by law in the foreseeable future (say, about two years). On this basis, the Group entered into a new extension agreement on 29 June 2026 to further extend the Long Stop Date to 30 June 2029 with an aim of arriving revised terms for the Acquisition. If a revised timetable is concluded, it is anticipated that the Acquisition will be financed by debt financing, equity financing, bank borrowing, private-equity funding or a combination of the four kinds. If in case the Acquisition lapses on 30 June 2029, no party shall be liable to each other. Further details of the 2026 Extension Agreement were disclosed in the Company's announcement dated 29 June 2026.

MATERIAL ACQUISITION UPDATE *(Cont'd)*

Further announcement will be made to address the rationale and benefits to the Company as a whole once a concrete decision on exercise of the exclusive rights to acquire further tranche(s) pursuant to the Acquisition Agreement or not is made by the Company.

Save for the above, the Group had no other material acquisition or disposal of subsidiaries, associates and joint ventures during the Period.

OUTLOOK

In 2026, the global economic recovery remains uneven, geopolitical tensions persist, and major economic entities' central banks diverge in monetary policy, exacerbating RMB exchange rate in the upward trend. The Chinese Mainland's economy is navigating a critical phase of structural adjustment and transition from old to new growth drivers. The real estate market continues to face headwinds, with commercial property leasing demand showing regional divergence; nevertheless, prime locations in core urban districts of first-tier cities maintain relative resilience. At the same time, the Chinese Government continues to promote urban renewal, green and low carbon transformation, and the development of "novel and quality productivity (新質生產力)" offering structural opportunities for enterprises with scare land resources and diversified business portfolios. Against this macroeconomic backdrop, the Group will build on its existing operations, prudently address challenges, and actively seize policy bonus.

The Group's re-development project in Yuexiu District, Guangzhou, is situated in the city's most prime commercial area, with pre-designed connection to two subway stations and a five-minute walking distance to the Pearl River in Guangzhou. Consequently, the Group intends to develop the project into the most avant-garde commercial complex in the region, incorporating fundamental elements such as environmental sustainability, energy efficiency, emission reduction, and cultural vibrancy to attract tenants who pursue excellence and green initiatives. To this end, the Group has established a workshop in Beijing, dedicated to securing national-level endorsements for the re-development plan, such as zero-carbon emission projects, advanced eco-friendly material construction initiatives, or smart city pilot programs.

The real estate market in China continues to face challenges with inventory oversupply and weak demand, which are expected to persist for at least another one to two years before turnaround. In light of this, coupled with incomplete demolition work and ongoing unresolved liquidation disputes, full-scale construction is anticipated to commence in early 2028, aiming for the completion of the first phase by the fourth quarter of 2029, in tribute to the 80th anniversary of the National Day.

OUTLOOK *(Cont'd)*

As for the Group's shopping mall located in Yuzhong District (渝中區), Chongqing (重慶市), it is situated in the core area of Chaotianmen (朝天門) in the city center, facing the Jialing River (嘉陵江) and only a five-minute walk from the landmark of Chongqing Raffles (重慶萊福仕商場). Leasing performance has remained stable and has not been significantly affected by the market downturn. However, as the mall was completed nearly 25 years ago, its exterior and design have begun to fall behind standards to-date. Following the completion of the re-development project in Yuexiu District, Guangzhou, the Group intends to collaborate with another property owner to redevelop the existing mall in Chongqing.

The Group has been continuously exploring investment and business expansion opportunities related to "novel and quality productivity" ("新質生產力"). To this end, the Group plans to establish a new division within its construction engineering department to provide one-stop integrated charging solutions for public and private sector clients in the Greater Bay Area.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 June 2026, the Group had about 20 (31 December 2025: 20) employees. Total staff costs (including directors' remuneration) for the Period amounted to HK$3,382,000 (2025: HK$3,767,000). Remuneration policies are reviewed regularly by the Remuneration Committee and the Directors in respect of remuneration of the directors and senior management. The Group values all employees and recognises their contributions, and is committed to establishing fair and caring relationship with its employees by offering competitive compensation packages comparable to market benchmark. In addition to the basic salaries, the Group provides staff benefits including medical insurance and contributions to the provident fund. Discretionary bonuses are also available to the Group's employees depending upon the overall performance of the Group.

The Group also puts ongoing efforts to provide adequate trainings and development resources to its employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their roles.

DIRECTORS'/CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company (if any) in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Issuers (the "ST Model Code") as set out in Appendix 10 of Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules") and which were required to be entered into the register pursuant to Section 352 of the SFO, were as follows:

Long position in shares of the Company

Name of Director and chief executive	Capacity and nature of interest	Number of shares held	Percentage of the Company's share capital
Ho Kam Hung *(Notes)*	Through controlled corporation	110,600,000	14.39%
	Directly beneficially owned	7,000,000	0.91%
		117,600,000	15.30%

Notes:

Ho Kam Hung was deemed (by virtue of the SFO) to be interested in these shares in the following capacities:

(i) 10,800,000 shares were held by Morcambe Corporation, a company beneficially owned by him.

(ii) 87,120,000 shares were held by EC Fair Limited, which he had $33^{1}/_{3}$% interest.

(iii) 12,680,000 shares were held by High Rank Enterprises Limited, in which he had approximately 31.6% interest; and

(iv) 7,000,000 shares were held by him.

SHARES IN ASSOCIATED CORPORATIONS OF THE COMPANY

At 30 June 2026, the following Director had interests in the non-voting deferred shares in certain subsidiaries of the Company:

Long position in shares of the associated corporations

Name of director	Name of associated corporation	Relationship with the Company	Shares/ equity derivatives	Numbers of shares/equity derivatives held Long position	Numbers of shares/equity derivatives held Short position	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Ho Kam Hung	Smart Hero (Holdings) Limited	Company's subsidiary	Non-voting deferred shares	91	–	Directly beneficially owned	30.13
	China Land Realty Investment Limited	Company's subsidiary	Non-voting deferred shares	91	–	Directly beneficially owned	30.13

All the above mentioned non-voting deferred shares carry no rights to dividends, to receive notice of or to attend or vote at any general meeting of the relevant company, or to participate in any distribution on winding-up.

Save as disclosed above, as at 30 June 2026, to the best knowledge of the Company, none of the Directors or chief executive of the Company (if any) had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the ST Model Code.

Disclosure of Interests

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the section headed "Directors'/Chief Executive's Interests in the Shares of the Company and its Associated Corporations" above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, to the best knowledge of the Company, the following persons (other than Directors or chief executive of the Company (if any)) had interests or short positions in the shares and underlying share as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in shares of the Company

Name of shareholders	Capacity and nature of interest	Number of Shares held	Percentage of the Company's share capital
Ye Jia Li *(Note 1)*	Interest of spouse	117,600,000	15.30
Ho Tsam Hung *(Note 2)*	Through controlled corporation	105,600,000	13.74
Ho Pak Hung *(Note 3)*	Through controlled corporation	99,800,000	12.98
Liang Gui Fen *(Note 4)*	Interest of spouse	99,800,000	12.98
EC Fair Limited *(Notes 2 and 3)*	Directly beneficially owned	87,120,000	11.33
Link Tide Investments Limited *(Note 5)*	Directly beneficially owned	108,000,000	14.05
Guangshi Harvest Limited *(Note 6)*	Through controlled corporation	108,000,000	14.05
China Guangshi International Investment Holdings Co., Ltd. *(Note 7)*	Through controlled corporation	108,000,000	14.05
新疆光實含弘股權投資管理有限公司	Through controlled corporation	108,000,000	14.05
Strong Hero Holdings Limited *(Note 8)*	Directly beneficially owned	100,000,000	13.01
Xie Xiaoxiang	Through controlled corporation	100,000,000	13.01

SUBSTANTIAL SHAREHOLDERS (Cont'd)

Long position in shares of the Company *(Cont'd)*

Notes:

1. Ye Jia Li was deemed (by virtue of Part XV of the SFO) to be interested in these shares in the capacity as the spouse of Ho Kam Hung, a Director.

2. Ho Tsam Hung was deemed (by virtue of Part XV of the SFO) to be interested in these shares in the following capacities:

   (i) 5,800,000 shares were held by Morgan Estate Assets Limited, which was beneficially owned by him.

   (ii) 87,120,000 shares were held by EC Fair Limited, a company which he had $33^1/_3$% interest.

   (iii) 12,680,000 shares were held by High Rank Enterprises Limited, which he had approximately 31.6% interest.

3. Ho Pak Hung was deemed (by virtue of Part XV of the SFO) to be interested in these shares in the following capacities:

   (i) 87,120,000 shares were held by EC Fair Limited, which he had $33^1/_3$% interest.

   (ii) 12,680,000 shares were held by High Rank Enterprises Limited, which he had approximately 31.6% interest.

4. Liang Gui Fen was deemed (by virtue of Part XV of the SFO) to be interested in these shares in the capacity as the spouse of Ho Pak Hung.

5. Link Tide Investments Limited was wholly-owned by Guangshi Harvest Limited.

6. Guangshi Harvest Limited was wholly-owned by China Guangshi International Investment Holdings Co., Ltd.

7. China Guangshi International Investment Holdings Co., Ltd. was wholly-owned by 新疆光實含弘股權投資管理有限公司.

8. Strong Hero Holdings Limited was wholly-owned by Xie Xiaoxiang.

Save as disclosed above, as at 30 June 2026, other than the Directors or chief executive of the Company (if any) whose interests are set out in the section headed "Directors'/Chief Executive's Interests in the Shares of the Company and its Associated Corporations" above, no person had registered an interest or short position in the shares or underlying shares and debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Disclosure Pursuant to the Listing Rules

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company generally complied with the Code on Corporate Governance Practice as set out in Appendix C1 of the Listing Rules throughout the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted the Model Code for Securities Transactions as set out in Appendix C3 of the Listing Rules regarding code of conduct of securities transactions by its directors. Having made specific enquiry to the Directors, the Company confirmed that the Directors had complied with required standards set out in the aforesaid code throughout the Period.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

REVIEW BY THE AUDIT COMMITTEE

The Company's unaudited condensed consolidated financial statements for the Period have been reviewed by the audit committee of the Company.

APPROVAL OF INTERIM REPORT

This interim report was approved by the Directors on 27 August 2026.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
REVENUE	2	**16,516**	15,502
Other income and gains		**7**	28
Changes in fair value of equity interest in an entity at fair value through profit or loss	11	**54,236**	40,464
Administrative expenses		**(10,753)**	(12,792)
PROFIT BEFORE TAX	3	**60,006**	43,202
Income tax expense	4	**(3,212)**	(2,638)
PROFIT FOR THE PERIOD		**56,794**	40,564
Attributable to:			
Equity holders of the Company		**16,158**	10,165
Non-controlling interests		**40,636**	30,399
		56,794	40,564
PROFIT PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	6		
– Basic		**HK cents 2.10**	HK cents 1.32
– Diluted		**HK cents 2.10**	HK cents 1.32

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**56,794**	40,564
Other comprehensive income		
Other comprehensive income that may be reclassified to the income statement in subsequent periods:		
Exchange differences on translation of foreign operations	**5,918**	6,147
Net other comprehensive income that may be reclassified to the income statement in subsequent periods	**5,918**	6,147
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**62,712**	46,711
Attributable to:		
Equity holders of the Company	**24,645**	19,051
Non-controlling interests	**38,067**	27,660
	62,712	46,711

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,807**	2,888
Equity interest in an entity at fair value through profit or loss	*11*	**1,060,025**	1,005,789
Investment property		**331,200**	319,680
Total non-current assets		**1,394,032**	1,328,357
CURRENT ASSETS			
Trade receivables	*7*	**12,645**	12,177
Prepayments, deposits and other receivables		**2,276**	2,602
Cash and cash equivalents		**68,596**	59,405
Total current assets		**83,517**	74,184
CURRENT LIABILITIES			
Trade payables	*8*	**(2,019)**	(1,949)
Other payables and accruals		**(30,524)**	(29,160)
Tax payable		**(44,748)**	(40,772)
Total current liabilities		**(77,291)**	(71,881)
NET CURRENT ASSETS		**6,226**	2,303
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,400,258**	1,330,660

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Cont'd)*

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
NON-CURRENT LIABILITIES		
Due to a director	**(130,128)**	(130,639)
Long term other payables	**(46,667)**	(45,297)
Deferred tax liabilities	**(162,299)**	(156,272)
Total non-current liabilities	**(339,094)**	(332,208)
Net assets	**1,061,164**	998,452
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	**19,215**	19,215
Reserves	**321,529**	296,884
	340,744	316,099
Non-controlling interests	**720,420**	682,353
Total equity	**1,061,164**	998,452

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital *HK$'000*	Share premium account *HK$'000*	Share option reserve *HK$'000*	Contributed surplus *HK$'000*	Exchange fluctuation reserve *HK$'000*	Statutory reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 January 2026 *(Audited)*	**19,215**	**17,344***	**–***	**80,258***	**65,594***	**1,300***	**132,388***	**316,099**	**682,353**	**998,452**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**16,158**	**16,158**	**40,636**	**56,794**
Exchange differences related to foreign operations	**–**	**–**	**–**	**–**	**8,487**	**–**	**–**	**8,487**	**(2,569)**	**5,918**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**8,487**	**–**	**16,158**	**24,645**	**38,067**	**62,712**
At 30 June 2026 *(Unaudited)*	**19,215**	**17,344***	**–***	**80,258***	**74,081***	**1,300***	**148,546***	**340,744**	**720,420**	**1,061,164**
At 1 January 2025 *(Audited)*	19,215	17,344	180	80,258	54,953	1,172	147,294	320,416	657,710	978,126
Profit for the period	–	–	–	–	–	–	10,165	10,165	30,399	40,564
Exchange differences related to foreign operations	–	–	–	–	8,886	–	–	8,886	(2,739)	6,147
Total comprehensive income for the period	–	–	–	–	8,886	–	10,165	19,051	27,660	46,711
Transfer from retained profits	–	–	–	–	–	21	(21)	–	–	–
At 30 June 2025 *(Unaudited)*	19,215	17,344	180	80,258	63,839	1,193	157,438	339,467	685,370	1,024,837

* These reserve accounts comprise the consolidated reserves of HK$321,529,000 (31 December 2025: HK$296,884,000) in the Company's condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES	**8,061**	6,026
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in an amount due to a director and net cash flows used in an financing activity	**(976)**	(8,329)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**7,085**	(2,303)
Cash and cash equivalents at beginning of period	**59,405**	63,573
Effect of foreign rate changes	**2,106**	2,294
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**68,596**	63,564
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances as stated in the condensed consolidated statement of financial position	**68,596**	63,564

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company's condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with the applicable disclosure requirements of the Hong Kong Accounting Standards ("HKAS") 34 – Interim Financial Reporting issued by Hong Kong Institute of Certified Public Accountants and the Listing Rules. These condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's consolidated financial statements for the year ended 31 December 2025.

1.1 CHANGES IN ACCOUNTING POLICES AND DISCLOSURES

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

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

The adoption of amended HKFRS Accounting Standard did not have material impact on the results and financial position for the current or prior accounting periods which have been prepared and presented.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and two reportable operating segments are as follows:

(a) the property investment and development segment, which invests in properties for generating potential income from letting and selling properties located in Chinese Mainland; and

(b) the corporate and other segment, which provides management services to group companies.

The accounting policies of the operating segments are the same as those described in the Company's consolidated financial statements for the year ended 31 December 2025.

No geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Chinese Mainland.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

2. OPERATING SEGMENT INFORMATION *(Cont'd)*

The following table presents revenue and results information on the Group's operating segments:

For the six months ended 30 June

	Property investment and development		Corporate and others		Total	
	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*	**2026 (Unaudited) *HK$'000***	2025 (Unaudited) *HK$'000*	**2026 (Unaudited) *HK$'000***	2025 (Unaudited) *HK$'000*
Segment revenue:						
Sales to external customers	**16,516**	15,502	**–**	–	**16,516**	15,502
Segment results	**67,084**	51,328	**(7,085)**	(8,154)	**59,999**	43,174
Other income and gains					**7**	28
Profit before tax					**60,006**	43,202
Income tax expense					**(3,212)**	(2,638)
Profit for the period					**56,794**	40,564

Information about major customer

For the Period, revenue from one customer in respect of property investment and development segment exceeded 10% of Group's total revenue, accounting for HK$16,516,000 (2025: HK$15,502,000) during the Period.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

3. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**176**	168
Changes in fair value of equity interest in an entity at fair value through profit or loss *(note 11)*	**(54,236)**	(40,464)
Interest income	**(7)**	(28)

4. INCOME TAX

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Chinese Mainland		
Corporate income tax		
Charge for the period	**2,820**	1,967
Deferred	**392**	671
Total tax charge for the period	**3,212**	2,638

No provision for Hong Kong profits tax had been made as the Group did not generate any taxable profits in Hong Kong during the Period (2025: Nil).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The subsidiaries established in Chinese Mainland are subject to income taxes at the rate of 25% (2025: 25%).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

5. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (2025: Nil).

6. PROFIT PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic profit per share for the Period is based on the profit attributable to equity holders of the Company of HK$16,158,000 (2025: HK$10,165,000) and the number of ordinary shares 768,616,520 (2025: 768,616,520) outstanding during the Period.

During the six months ended 30 June 2026 and 2025, the Group had no potentially dilutive ordinary shares in issue.

7. TRADE RECEIVABLES

An ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within 6 months	**12,645**	**100**	12,177	100

The Group generally grants a credit term of 3 months to 12 months to its customers.

The ageing of the Group's trade receivables is based on the date of recognition of revenue. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

8. TRADE PAYABLES

An ageing analysis of the Group's trade payables at the end of the reporting period is as follows:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within 1 year	**18**	**1**	18	1
More than 1 year	**2,001**	**99**	1,931	99
	2,019	**100**	1,949	100

The ageing of the Group's trade payables is based on the dates of the goods received or services rendered. The trade payables are non-interest-bearing.

9. LITIGATIONS

Details of the Group's material litigations are disclosed in the "Management Discussion and Analysis" section of this report.

10. RELATED PARTY TRANSACTIONS

Saved as detailed elsewhere in these financial statements, the Group had the following transaction with related party during the Period:

A license fee of HK$899,000 (2025: HK$899,000) was incurred by a subsidiary of the Company for the rights to use the office (without exclusivity) in Hong Kong on a cost basis licensed by a private company controlled by an executive director. As at 30 June 2026, an amount due to the related company of HK$5,979,000 (31 December 2025: HK$5,080,000) was included in "Other payables and accruals" on the condensed consolidated statement of financial position.

The above transaction constitutes a continuing connected transaction as defined in Chapter 14A of the Listing Rules. The Directors are of the opinion that the transaction was conducted in the ordinary course of business of the Group.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

11. EQUITY INTEREST IN AN ENTITY AT FAIR VALUE THROUGH PROFIT OR LOSS

The movements of the carrying amount of the Group's equity interest in GZ Zheng Da during the Period are as follows:

	2026	2025
	HK$'000	*HK$'000*
Financial asset at fair value through profit or loss		
Unlisted equity interest in an entity at fair value through profit or loss, at fair value:		
Carrying amount at 1 January *(Audited)*	**1,005,789**	974,693
Changes in fair value recognised in the income statement *(note 3)*	**54,236**	40,464
Carrying amount at 30 June *(Unaudited)*	**1,060,025**	1,015,157

The Management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved at least once a year or more frequently as needed.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

11. EQUITY INTEREST IN AN ENTITY AT FAIR VALUE THROUGH PROFIT OR LOSS (Cont'd)

The fair value of the Group's equity interest in an entity at fair value through profit or loss is estimated by using significant unobservable inputs. The fair value measurement is categorised under Level 3. On 30 June 2026, the fair values were determined based on discounted net realisation value (i.e., discounted cash flow method from realisation of assets and settlement of liabilities of GZ Zheng Da) which have taken into account (1) the fair values of the underlying assets and liabilities of GZ Zheng Da; (2) relevant expenses, payments and tax upon disposals of the assets, in particular, the properties, according to the prevailing tax rules and other relevant law and regulations; and (3) around four to five years to recover the investment. The discount rate applied to the cash flow projections is 3.5% (31 December 2025: 3.5%). Increase in the discount rate by 1% would result in decrease in its fair value as at 30 June 2026 by approximately HK$30,141,000 (31 December 2025: HK$33,286,000). Decrease in the discount rate by 1% would result in increase in its fair value as at 30 June 2026 by approximately HK$31,329,000 (31 December 2025: HK$34,765,000).

Independent qualified valuers, Vincorn Consulting and Appraisal Limited and Merryshine Surveyors Limited, were engaged to assist the management in the process to estimate the fair values of underlying investment properties and properties held for sale of GZ Zheng Da, respectively, based on recent market transactions and repossession discount. In estimating the fair values of these properties, the valuers assume the current use is the highest and best use of these properties. In addition, the management also has taken professional advices, including but not limited to legal advisors and other professional parties, as necessary, and follows their advices in the process of preparation of the above expected future cash flow assessment.

The Directors believe that the estimated fair values resulting from the above valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in condensed consolidated income statement, are reasonable, and that they were the most appropriate values at the end of the reporting period.

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2025: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

11. EQUITY INTEREST IN AN ENTITY AT FAIR VALUE THROUGH PROFIT OR LOSS (Cont'd)

Below is a summary of the valuation techniques used and the key inputs to the valuation of key underlying assets of GZ Zheng Da:

			Weighted average/range of unobservable inputs	
	Valuation techniques	**Significant unobservable inputs**	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Investment properties	Residual approach	Unit price per square metre	**HK$26,450 to HK$48,795**	HK$25,530 to HK$47,097
		Estimated cost to complete per square metre	**HK$6,555 to HK$8,970**	HK$6,327 to HK$8,658
		Repossession discount	**25%**	25%
Properties held for sale	Market approach	Unit price per square metre	**HK$12,324 to HK$13,889**	HK$11,895 to HK$13,406
		Repossession discount	**25%**	25%

Under the residual approach, fair value is estimated on the basis of the gross development value of the investment properties by reference to their development potential deducting various costs, such as construction cost, contingency cost, finance cost, marketing cost and professional fees that will be expended to complete the development as well as the developer's profit, to reflect the risks associated with the development of the investment property and the quality of the completed development. The gross development value is arrived at by making reference to the sales transactions or asking price evidence of comparable properties as available in the market with adjustments made to account for any differences and where appropriate.

Under the market approach, fair value is estimated based on comparing the property to be valued directly with other comparable properties, which have been recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

Repossession discount is then applied to the fair value of the properties under both methods which is the price adjustment that might reasonably be expected to realise within a specified period from the sale of a property in the market under repossession on an "as is" basis.