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ZHONGZHENG INTERNATIONAL COMPANY LIMITED

中證國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 943)

- (1) UPDATE ON THE POTENTIAL AUDIT ISSUES;**
- (2) FURTHER DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2022;**
- (3) DELAY IN PUBLICATION OF ANNUAL REPORT FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2022**
- (4) DELAY IN PUBLICATION OF UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR SIX MONTHS ENDED 31 DECEMBER 2022;**
- (5) DELAY IN DESPATCH OF INTERIM REPORT FOR SIX MONTHS ENDED 31 DECEMBER 2022;**
- AND**
- (6) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Zhongzheng International Company Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 3 October 2022 in relation to, among others, the delay in publication of the announcement (“**2022 Annual Results Announcement**”) in respect of audited annual results for the eighteen months ended 30 June 2022 (“**2022 Annual Results**”) and the suspension of trading in the securities of the Company; (ii) the announcement of the Company dated 7 October 2022 in relation to the date of board meeting; (iii) the announcement of the Company dated 19 October 2022 in relation to the publication of the unaudited results of the Company for the eighteen months ended 30 June 2022; (iv) the announcement of the Company dated 30 November 2022 in relation to, among others, further delay in publication of the 2022 Annual Results Announcement; and (v) the announcement of the Company dated 27 January 2023 (the “**Further Delay in Publication Announcement**”) in respect of, among others, further delay in publication of the 2022 Annual Results Announcement.

Unless otherwise defined, capitalised terms used in this announcement have the same meanings as those defined in the Further Delay in Publication Announcement.

UPDATE ON THE POTENTIAL AUDIT ISSUES

As disclosed in the Further Delay in Publication Announcement, during the course of audit of the 2022 Audited Annual Results, the Auditor had raised issues on (i) the recoverability of an outstanding Other Receivable of HK\$87.9 million; and (ii) the validity of Mining License and the estimation of the fair value thereof. The Company would like to update its shareholders on the latest status of these potential audit issues.

(i) Recoverability of an outstanding Other Receivable of HK\$87.9 million

As at the date of this announcement, the Company failed to reach a settlement plan with the counterparty. It has already engaged lawyers to commence legal proceedings to recover the outstanding Other Receivable. Regarding this, the Auditor is of the preliminary view that it would be impracticable to assess the recoverability of the Other Receivable and to be satisfied with the amount of relevant estimated credit loss associated with the Other Receivable as the outcome of the legal actions are uncertain. On this basis, it would be likely that the audit opinion in respect of the 2022 Audited Annual Results would be qualified in this respect.

(ii) Validity of Mining License and the estimation of the fair value thereof

As at the date of this announcement, the Company is still awaiting the application outcome of reinstating the Mining License from the relevant authorities. If the decision is not received by the Company by the close of the audit, the Auditor indicated that a qualified opinion in respect of this issue will be issued. If the decision (whether it will be favourable or not) is received by the Company prior to the close of the audit, the Company will be in a position to ascertain the validity and the book value of the Mining License.

FURTHER DELAY IN PUBLICATION OF 2022 ANNUAL RESULTS ANNOUNCEMENT

As disclosed in the Further Delay in Publication Announcement, the publication of the 2022 Annual Results Announcement has been delayed as a result of the travel and quarantine restrictions in the PRC resulted from the pandemic which affected the performance of the audit procedures and it was expected that the 2022 Audited Annual Results Announcement would be published by the Company on or before 28 February 2023.

The Board wishes to update its shareholders that additional time is needed for completion of the audit procedures, in particular (i) the review of the valuation report (“**Luanping Valuation**”) in respect of the Company’s interest in the project company of a primary land development project located in Luanping County, Chengde, Hebei Province, the PRC (which is yet to be finalised by the independent valuer as at the date of this announcement) for the assessment of fair value of the Company’s interests in associates; and (ii) the review of the post balance sheet events after the eighteen months ended 30 June 2022. Given this, the Company is not able to publish the 2022 Annual Results Announcement on or before 28 February 2023.

DELAY IN PUBLICATION OF ANNUAL REPORT FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2022

Pursuant to Rule 13.46(2) of the Listing Rules, the Company is required to send annual report including the financial statements of the Group for the eighteen months ended 30 June 2022 and a copy of the auditors’ report thereon (the “**2022 Annual Report**”) to its shareholders not less than 21 days before the date of the Company’s annual general meeting and in any event not more than four months after the end of the financial year to which they relate, being 30 October 2022.

As additional time is required by the Company to finalise the 2022 Audited Annual Results, the despatch of the 2022 Annual Report will also be delayed and such delay will constitute a breach of Rule 13.46(2) of the Listing Rules.

DELAY IN PUBLICATION OF UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR SIX MONTHS ENDED 31 DECEMBER 2022 AND DELAY IN DESPATCH OF INTERIM REPORT FOR SIX MONTHS ENDED 31 DECEMBER 2022

Pursuant to Rules 13.49(6) and 13.48(1) of the Listing Rules, the Company is required to publish (i) in accordance with Rule 2.07C of the Listing Rules its preliminary results in respect of the six months ended 31 December 2022 not later than two months after the end of such period, being 28 February 2023; and (ii) an interim report in respect of the six months ended 31 December 2022 not later than three months after the end of such period, being 31 March 2023.

As the audit for 2022 Annual Results is yet to be completed, the progress of the preparation and finalisation of the unaudited results for the six months ended 31 December 2022 (“**2022 Interim Results**”) has also been affected. Further, the Board considers it appropriate to publish the 2022 Annual Results Announcement and the announcement in respect of the 2022 Interim Results (“**2022 Interim Results Announcement**”) simultaneously. As such, the publication of the 2022 Interim Results Announcement and interim report (“**2022 Interim Report**”) in respect of 2022 Interim Results will be delayed and such delay constitutes a breach of Rules 13.49(6) and 13.48(1) of the Listing Rules respectively.

PROPOSED PUBLICATION DATE OF OUTSTANDING FINANCIAL RESULTS AND REPORTS

Taking consideration of the latest progress of the audit, the Board would like to inform the shareholders and potential investors of the Company that the 2022 Annual Results Announcement and the 2022 Interim Results Announcement would be published by the Company on or before 30 April 2023 and the 2022 Annual Report and 2022 Interim Report will be published by the Company on or before 31 May 2023.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect 9:00 a.m. on 3 October 2022 pending publication of the 2022 Audited Annual Results Announcement, and is currently expected to remain suspended until the Company fulfills the Resumption Guidance.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Zhongzheng International Company Limited
Liu Liyang
Executive Director

Hong Kong, 27 February 2023

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Leung Chung Shan, Mr. Tam Lup Wai, Franky, Mr. Liu Liyang and Mr. Qiu Qing; one non-executive Director, namely Mr. Lim Kim Chai, J.P.; and three independent non-executive Directors, namely Mr. Hau Chi Kit, Mr. Leung Chi Hung and Mr. Li Hon Kuen.