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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)

PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors of Zhongzheng International Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the latest unaudited consolidated management accounts of the Group for the twelve months ended 31 December 2021 (“**12M2021**”) and information currently available to the Board, the Group is expected to record a consolidated loss in the range of HK\$310 million to HK\$325 million as compared with a consolidated loss of approximately HK\$67.2 million for the twelve months ended 31 December 2020 (“**12M2020**”).

The deterioration of the financial performance for 12M2021 as compared to 12M2020 was mainly attributable the loss from discontinued operations recorded by the Group of approximately HK\$256.2 million for 12M2021 as compared with a profit of approximately HK\$6.5 million for 12M2020. Such loss from discontinued operations is arisen from the disposal of the entire issued share capital of Hong Kong Zhongzheng City Investment Limited (together with its subsidiaries, the “**Disposal Group**”) (the “**Disposal**”) pursuant to the agreement dated 24 September 2021. The Disposal Group is principally engaged in the businesses of property development and primary land development in the PRC. Upon completion of the Disposal, the Group will discontinue such businesses. Details of the Disposal are set out in the circular of the Company dated 12 November 2021.

The change from profit to loss from the discontinued operations for 12M2021 was mainly due to (i) the estimated loss on the Disposal of approximately HK\$101.6 million for 12M2021 (12M2020: Nil), being the difference between the fair value of the consideration of the Disposal and the net asset value of the Disposal Group as at 31 December 2021; (ii) the absence of gain on bargain purchase recognised for 12M2020 of approximately HK\$42.8 million; (iii) the increase in administrative and operating expenses for 12M2021 as a result of the pre-sale of the properties; and (iv) the increase in the share of loss of the associates.

The Company is still in the process of finalising its interim results for 12M2021. The information contained in this announcement is only based on a preliminary review by the management of the Company on the unaudited consolidated management accounts of the Group for 12M2021 currently available, which has not been reviewed by the audit committee of the Company. Further details of the interim results of the Group for 12M2021 will be disclosed in the interim results announcement, which is expected to be released on 28 February 2022.

Shareholders and potential investors of the Company should 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, 23 February 2022

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.