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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)

INSIDE INFORMATION

REVOCATION OF THE COAL MINING LICENSE IN INDONESIA

This announcement is made by 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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND

Reference is made to the annual report (the “**2020 Annual Report**”) of the Company for the year ended 31 December 2020. As mentioned in the 2020 Annual Report, PT Bara Utama Persada Raya (a 99.98%-owned subsidiary of the Company) (“**PT Bara**”), holds a mining license (the “**Mining License**”) of a coal mine (“**PT Bara Mine**”) in the Central Kalimantan Province in the Republic of Indonesia. With a view to commencing mining activities at PT Bara Mine, PT Bara has been engaged in negotiations with the local landlord on the use of its access road and jetty (where coal is unloaded for shipment), however, the outcome of the negotiations were not favorable. Due to the Covid-19 epidemic, it has been more difficult to reach out to the landlord and the process was inevitably delayed. The negotiation situation has further held back the coal production progress. As at the date of this announcement, the PT Bara Mine has not commenced coal production.

REVOCATION OF THE MINING LICENSE

As a result of the tightened regulatory policy on the nation’s natural resources, many mining licenses of mines with no production activities have been revoked by the Indonesian Government since 2022. The Company is aware of such change in governmental policy, however, due to the aforesaid constraints associated with the transportation of the coal, it is unable to commence any production at PT Bara Mine.

On 22 April 2022, PT Bara was notified by the Indonesian Government that the Mining License has been revoked and declared invalid with effect from the same date. However, no specific reason for the revocation has been expressly provided in the said notice. As at 31 December 2021, the unaudited carrying value of the exploration and evaluation assets in respect of the PT Bara Mine amounted to approximately HK\$107.97 million.

The Company is currently making enquiry with the relevant local authorities in respect of the incident and will liaise with them to explore the possibility to reinstate the Mining License. The Company is also assessing the impact of the incident on the financial position of the Group and will publish further announcement(s) as soon as practicable to provide detailed information to the shareholders of the Company and potential investors.

Shareholders of the Company and potential investors are reminded that the information provided in this announcement is based on the information currently available to the Board. Shareholders of the Company and potential investors 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, 26 April 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.