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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)

ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2022

UNAUDITED ANNUAL RESULTS

Reference is made to the announcement of Zhongzheng International Company Limited (the “**Company**”) dated 3 October 2022 in relation to, among others, the delay in publication of the audited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the eighteen months ended 30 June 2022 and the publication of the unaudited annual results for the eighteen months ended 30 June 2022.

As a result, the board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces the following preliminary unaudited consolidated financial information of the Group for the eighteen months ended 30 June 2022 (the “**Period**”) together with comparative figures for the previous year. The preliminary unaudited consolidated financial statements cover an eighteen months period ended 30 June 2022 and the comparative financial statements cover a twelve months period ended 31 December 2020. The comparative figures are therefore not entirely comparable. The Directors confirm that the following preliminary unaudited consolidated financial information is prepared on the same basis as used in the audited financial statements of the Group for the year ended and as of 31 December 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the eighteen months ended 30 June 2022

		1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited) (Restated)
Continuing operations			
Revenue		202,822	149,768
Interest revenue		7,253	4,924
		210,075	154,692
Total revenue	4	210,075	154,692
Cost of sales		(167,461)	(109,920)
		42,614	44,772
Gross profit		42,614	44,772
Other income and other gains and losses		1,321	6,114
Selling and distribution expenses		(2,091)	(1,873)
Administrative expenses		(106,831)	(71,129)
		(64,987)	(22,116)
Loss from operations		(64,987)	(22,116)
Impairment on exploration and evaluation assets		–	(34,030)
Impairment of loan and interest receivables		–	(166)
Share of results of associates		(1,563)	(1,155)
Finance costs	5	(26,737)	(17,061)
		(93,287)	(74,528)
Loss before tax		(93,287)	(74,528)
Income tax (expense)/credit	6	(3)	809
		(93,290)	(73,719)
Loss for the period/year		(93,290)	(73,719)

	<i>Notes</i>	1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited) (Restated)
Discontinued operations	8		
(Loss)/gain for the period from discontinued operations		<u>(246,601)</u>	<u>6,527</u>
Loss for the period/year	7	<u>(339,891)</u>	<u>(67,192)</u>
Loss for the period/year attributable to:			
Owners of the Company			
From continuing operations		(93,290)	(73,719)
From discontinued operations		<u>(220,818)</u>	<u>19,931</u>
		<u>(314,108)</u>	<u>(53,788)</u>
Non-controlling interests			
From continuing operations		–	–
From discontinued operations		<u>(25,783)</u>	<u>(13,404)</u>
		<u>(25,783)</u>	<u>(13,404)</u>
		<u>(339,891)</u>	<u>(67,192)</u>

	1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited) (Restated)
Loss for the period/year	(339,891)	(67,192)
Other comprehensive (loss)/income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(24,284)	21,412
Share of associates exchange differences on translating foreign operations	(44,789)	29,092
<i>Items that may be reclassified to profit or loss:</i>		
Gain on property revaluation	—	3,084
Other comprehensive (loss)/income for the period/year, net of tax	(69,073)	53,588
Total comprehensive loss for the period/year	(408,964)	(13,604)
Total comprehensive loss for the period/year attributable to:		
Owners of the Company	(383,181)	(3,738)
Non-controlling interests	(25,783)	(9,866)
	(408,964)	(13,604)
(Loss)/earnings per share	10	
From continuing and discontinued operations		
Basic (cents per share)	(2.93)	(0.50)
Diluted (cents per share)	N/A	N/A
From continuing operations		
Basic (cents per share)	(0.87)	(0.69)
Diluted (cents per share)	N/A	N/A
From discontinued operations		
Basic (cents per share)	(2.06)	0.19
Diluted (cents per share)	N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

		At 30 June 2022 <i>HK\$'000</i> (Unaudited)	At 31 December 2020 <i>HK\$'000</i> (Audited)
Non-current assets			
Exploration and evaluation assets		107,970	107,970
Property, plant and equipment		63,118	68,854
Right-of-use assets		2,688	26,616
Interests in associates	11	580,824	1,200,663
		754,600	1,404,103
Current assets			
Inventories		21,920	19,073
Properties under development for sale		–	1,559,362
Trade and other receivables	12	138,514	257,411
Loans and interests receivables	13	61,499	89,674
Amount due from associates		21,881	161,941
Current tax assets		905	938
Bank and cash balances		7,774	177,095
		252,493	2,265,494
Non-current assets held for sale	16	3,102,499	–
		3,354,992	2,265,494
Current liabilities			
Trade and other payables	14	(170,650)	(514,010)
Promissory note		(234,484)	(237,663)
Lease liabilities		(2,805)	(10,763)
Borrowings		(32,780)	(691,097)
Shareholders loans		(290,600)	(343,376)
Current tax liabilities		(5,990)	(6,017)
		(737,309)	(1,802,926)
Liabilities directly associated with non-current assets held for sale	16	(2,343,719)	–
		(3,081,028)	(1,802,926)
Net current assets		273,964	462,568
Total assets less current liabilities		1,028,564	1,866,671

		At 30 June	At 31 December
		2022	2020
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Non-current liabilities			
Lease liabilities		–	(16,452)
Borrowings		–	(309,157)
Shareholders loans		–	(38,503)
Deferred tax liabilities		(13,128)	(77,666)
		<u>(13,128)</u>	<u>(441,778)</u>
NET ASSETS		<u>1,015,436</u>	<u>1,424,893</u>
Capital and reserves			
Share capital	15	429	429
Reserves		1,000,383	1,383,564
		<u>1,000,812</u>	<u>1,383,993</u>
Equity attributable to owners of the Company		1,000,812	1,383,993
Non-controlling interests		14,624	40,900
		<u>1,015,436</u>	<u>1,424,893</u>
TOTAL EQUITY		<u>1,015,436</u>	<u>1,424,893</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2022

1. GENERAL INFORMATION

Zhongzheng International Company Limited was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Suite 3008, Man Yee Building, 68 Des Voeux Road Central, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The principal activities of the Company and its subsidiaries (collectively “**the Group**”) for the period ended 30 June 2022 are manufacturing and trading of healthcare and household products, money lending business, coal mining business, property development and primary land development.

Upon the disposal of the Group's wholly owned subsidiary, Hong Kong Zhongzheng City Investment Limited, the Group will discontinue its operations of property development and primary land development.

2. BASIS OF PREPARATION

Pursuant to a resolution of the Board dated 30 December 2021, the Company's financial year end date has been changed from 31 December to 30 June commencing from financial year of 2021/2022. Accordingly, the current financial period will cover a period of eighteen months from 1 January 2021 to 30 June 2022. These consolidated financial statements now presented cover a period of eighteen months from 1 January 2021 to 30 June 2022. The comparative figures presented for the consolidated statement of profit or loss and other comprehensive income, and related notes cover the figures of the financial period from 1 January 2020 to 31 December 2020.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current period and prior years.

4. REVENUE AND SEGMENT INFORMATION

Information about reportable segment profit or loss, assets and liabilities:

	Discontinued operations				Healthcare and household business	Total
	Property development	Primary land development	Money lending business	Coal mining business		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Period ended 30 June 2022: (Unaudited)						
Revenue	-	-	7,253	-	202,822	210,075
Segment (loss)/profit	(108,828)	(19,053)	7,332	(1,252)	(32,096)	(153,897)
As at 30 June 2022: (Unaudited)						
Segment assets	2,286,726	815,773	61,554	107,055	142,270	3,413,378
Segment liabilities	2,228,839	114,880	-	-	128,924	2,472,643
The twelve months ended 31 December 2020:						
(Audited)						
Revenue	-	-	4,924	-	149,768	154,692
Segment (loss)/profit	(32,528)	(3,710)	4,557	(2,159)	1,929	(31,911)
As at 31 December 2020: (Audited)						
Segment assets	1,768,683	830,600	57,803	107,068	137,257	2,901,411
Segment liabilities	1,416,359	307,137	81	-	97,474	1,821,051

Reconciliations of reportable segment revenue, profit and loss, assets and liabilities:

	1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited)
Profit or loss:		
Total loss of reportable segments	(153,897)	(31,911)
Impairment on exploration and evaluation assets	–	(34,030)
Gain on bargain purchase	–	42,765
Share of results of associates	(47,685)	(1,155)
Finance costs	(25,401)	(16,204)
Corporate and unallocated loss	(40,310)	(26,657)
Fair value loss on non-current assets held for sale	(72,598)	–
	<u>(339,891)</u>	<u>(67,192)</u>
Assets:		
Total assets of reportable segments	3,413,378	2,901,411
Corporate and unallocated assets:		
– Bank and cash balances	5,069	229
– Investments at fair value through profit or loss	–	–
– Interest in an associate	580,824	627,176
– Others	110,321	140,781
	<u>4,109,592</u>	<u>3,669,597</u>
Consolidated total assets	<u>4,109,592</u>	<u>3,669,597</u>
Liabilities:		
Total liabilities of reportable segments	2,472,643	1,821,051
Corporate and unallocated liabilities:		
– Shareholders loans	290,600	381,879
– Others	330,913	41,774
	<u>3,094,156</u>	<u>2,244,704</u>
Consolidated total liabilities	<u>3,094,156</u>	<u>2,244,704</u>

	At 30 June 2022 <i>HK\$'000</i>	At 31 December 2020 <i>HK\$'000</i>
Non-current assets:		
Indonesia	108,817	108,817
The PRC	583,059	656,346
Hong Kong and others	582,684	628,940
	1,274,560	1,404,103

Revenue from major customers:

	1 January 2021 to 30 June 2022 <i>HK\$'000</i>	Twelve months ended 31 December 2020 <i>HK\$'000</i>
Healthcare and household business segment		
Customer A	131,308	87,766
Customer B	—*	26,255
Customer C	36,516	—*

Revenue from above customers individually contributed more than 10% of the total consolidated revenue of the Group.

* Customers individually contributed less than 10% of the total consolidated revenue of the Group.

An analysis of the Group's revenue from continuing and discontinued operations is as follows:

	1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited)
Healthcare and household products business	<u>202,822</u>	<u>149,768</u>
Revenue from contracts with customers	<u>202,822</u>	<u>149,768</u>
Interest income from money lending business	<u>7,253</u>	<u>4,924</u>
	<u>210,075</u>	<u>154,692</u>
Representing Continuing operations	<u>210,075</u>	<u>154,692</u>

Disaggregation of revenue from contracts with customers

Segment	1 January 2021 to 30 June 2022 Healthcare and household business HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 Healthcare and household business HK\$'000 (Audited)
United States of America	154,488	108,559
The People's Republic of China (the "PRC")	6,022	10,933
Germany	23,954	14,711
France	692	914
United Kingdom	1,881	1,755
Hong Kong and others	<u>15,785</u>	<u>12,896</u>
	<u>202,822</u>	<u>149,768</u>

All revenue from contracts with customers are recognised at a point in time.

5. FINANCE COSTS

	1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited)
Interest on other loans	13,208	29,944
Leases interests	2,494	1,237
Interest on shareholders loans	24,406	13,031
Loss on early settlement of shareholders loans	–	2,818
Interest on bank loans and overdraft	<u>74,567</u>	<u>1,552</u>
	114,675	48,582
Less: interest capitalised in properties under development for sale	<u>(78,202)</u>	<u>(29,944)</u>
	<u>36,473</u>	<u>18,638</u>
Representing		
Continuing operations	26,737	17,061
Discontinued operations	<u>9,736</u>	<u>1,577</u>
	<u>36,473</u>	<u>18,638</u>

6. INCOME TAX (EXPENSE)/CREDIT

	1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited)
Hong Kong Profits Tax		
– Over-provision in prior years	–	905
Current tax – PRC Enterprise Income Tax		
– Provision for the year	<u>(3)</u>	<u>(96)</u>
	<u>(3)</u>	<u>809</u>
Representing		
Continuing operations	(3)	809
Discontinued operations	<u>–</u>	<u>–</u>
	<u>(3)</u>	<u>809</u>

No provision for Hong Kong Profits Tax has been made for the period as the Group did not generate any assessable profits arising in Hong Kong (the twelve months ended 31 December 2020: Nil).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

7. LOSS FOR THE PERIOD/YEAR

The Group's loss for the period/year is stated after charging the following:

	1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited)
Impairment on exploration and evaluation assets	–	(34,030)
Fair value loss on non-current assets held for sale	(72,598)	–
Loss on disposal of a subsidiary	–	(170)
Loss on disposal of property, plant and equipment	(12)	(748)

8. DISCONTINUED OPERATIONS

On 24 September 2021, the Company entered into an disposal agreement with Hong Kong Zhongzheng Huijin Limited (“**HK Huijin**”) in respect of a disposal of the entire issued share capital of Hong Kong Zhongzheng City Investment Limited (together with its subsidiaries, the “**Disposal Group**”), which is a wholly-owned subsidiary of the Company and was acquired from HK Huijin in 2019.

The Disposal Group was engaged in the business of property development and primary land development. Upon completion of the disposal, the Group will discontinue such business.

As the estimated consideration is lower than the net assets of the subsidiaries, an impairment estimated to be HK\$72,598,000 has been recorded for the eighteen months ended 30 June 2022. The details of the consideration are stated in Note 16 of this financial statements.

The loss for the period from above discontinued operations are analysed as follows:

		1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited)
	<i>Notes</i>		
(Loss)/profit of discontinued operations		(174,003)	6,527
Fair value loss on non-current assets held for sale	19	(72,598)	–
		(246,601)	6,527

The results of the Disposal Group for the period ended 30 June 2022, which have been included in consolidated profit or loss, are as follows:

		1 January 2021 to 30 June 2022 HK\$'000 (Unaudited)	Twelve months ended 31 December 2020 HK\$'000 (Audited)
	<i>Notes</i>		
Other income		2,547	172
Selling and distribution expenses		(21,268)	(4,826)
Administrative expenses		(99,424)	(32,405)
Gain on bargain purchase		–	42,765
Share of results of associates		(46,122)	2,398
Finance costs	5	(9,736)	(1,577)
		(174,003)	6,527
Taxation	6	–	–
		(174,003)	6,527

9. DIVIDEND

The board does not recommend any dividend for the eighteen months ended 30 June 2022 (the twelve months ended 31 December 2020: Nil).

10. (LOSS)/EARNINGS PER SHARE

Basic loss per share

From continuing and discontinued operations

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the Period attributable to owners of the Company of approximately HK\$314,108,000 (the twelve months ended 31 December 2020: HK\$53,788,000) and the weighted average number of ordinary shares of 10,721,667,000 (the twelve months ended 31 December 2020: 10,721,667,000) ordinary shares in issue during the period.

From continuing operations

The calculation of basic loss per share from continuing operations attributable to owners of the Company is based on the loss for the Period from continuing operations attributable to owners of the Company of approximately HK\$93,290,000 (the twelve months ended 31 December 2020: HK\$73,719,000) and the denominator used is the same as that detailed above for basic loss per share.

From discontinued operations

The calculation of basic (loss)/earnings per share from discontinued operations attributable to owners of the Company is based on the loss for the period from discontinued operations attributable to owners of the Company of approximately HK\$220,818,000 (the twelve months ended 31 December 2020: profit of approximately HK\$19,931,000) and the denominator used is the same as that detailed above for basic (loss)/earnings per share.

Diluted loss per share

No diluted loss per share is presented as the Company did not have any outstanding dilutive potential ordinary shares during the eighteen months ended 30 June 2022 and the twelve months ended 31 December 2020.

11. INTERESTS IN ASSOCIATES

	30 June 2022	31 December 2020
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Share of net assets plus goodwill	580,824	1,200,663

The details of the associates are summarised as follows:

Name	Principal place of business/ countries of incorporation	% of ownership interest	Principal activity	Carrying amount	
				30 June 2022 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Chengde CITIC Securities Jinyu Investment Development Co., Ltd. (CITIC Jinyu)	The PRC	42.5%	Primary land development	-	573,487
Pacific Memory Sdn Bhd	Malaysia	35.0%	Property development	<u>580,824</u>	<u>627,176</u>
				<u>580,824</u>	<u>1,200,663</u>

At at 30 June 2022, CITIC Jinyu's carrying amount is classified in the non-current assets held for sale stated in Note 16.

12. TRADE AND OTHER RECEIVABLES

The trade and other receivable included trade receivables of approximately HK\$51,323,000 as at 30 June 2022 (31 December 2020: HK\$38,889,000). The aging analysis of trade receivables, based on invoiced date, and net of allowance, is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
0 to 30 days	18,298	9,046
31 to 90 days	26,800	15,042
91 to 180 days	5,164	14,685
Over 180 days	<u>1,061</u>	<u>116</u>
	<u>51,323</u>	<u>38,889</u>

13. LOANS AND INTERESTS RECEIVABLES

The loans and interests receivables included loan receivables of approximately HK\$46,292,000 as at 30 June 2022 (31 December 2020: HK\$69,625,000). The aging analysis of loans receivables prepared based on loan commencement or renewal date set out in the relevant contracts is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
7 to 12 months	–	29,800
Over 12 months	<u>46,292</u>	<u>39,825</u>
	<u>46,292</u>	<u>69,625</u>

14. TRADE AND OTHER PAYABLES

The trade and other payables included trade payables and bills payables of approximately HK\$45,969,000 as at 30 June 2022 (31 December 2020: HK\$21,519,000). The aging analysis of the trade payables and bills payables, based on the date of receipt of goods, is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
0 to 30 days	7,532	5,455
31 to 90 days	21,028	7,446
91 to 180 days	12,011	7,454
Over 180 days	<u>5,398</u>	<u>1,164</u>
	<u>45,969</u>	<u>21,519</u>

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.00004 each at 1 January 2020, 31 December 2020, and 30 June 2022	25,000,000,000,000	1,000,000
	<u>25,000,000,000,000</u>	<u>1,000,000</u>
	Number of shares	Amount HK\$'000
Issued and fully paid:		
Ordinary shares of HK\$0.00004 each: At 31 December 2020 (Audited) and 30 June 2022 (Unaudited)	10,721,666,832	429
	<u>10,721,666,832</u>	<u>429</u>

16. NON-CURRENT ASSETS HELD FOR SALE

As stated in Note 8, assets and liabilities of the disposal, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the statement of financial position.

The consideration of the disposal will be satisfied by: (i) payment of HK\$308,432,023 in cash; (ii) 1,938,248,881 consideration shares of the Company from buy-back and cancellation, equivalents to approximately HK\$36,827,000 at 30 June 2022; (iii) redemption of the promissory note in principal amount of RMB200,000,000 (approximately HK\$234,484,000) by the Company. Further, the loans provided by the Group to the Disposal Group in the aggregate principal amount of HK\$139,099,000 outstanding as at the date of the Disposal Agreement and the interest accrued up to the date of repayment shall be settled within two months from the Completion Date. As at 30 June 2022, the amount of the unpaid interest accrued was HK\$25,314,000. The proceeds are expected to be less than the net carrying amount of the relevant assets and liabilities as at 30 June 2022 and, accordingly, an impairment loss of HK\$72,598,000 has been recognised on the classification of these operations as held for sale.

The major classes of assets and liabilities comprising the disposal group classified as held for sale at 30 June 2022 are as follows:

	<i>HK\$'000</i>
Property, plant and equipment	962
Interest in an associate	512,004
Right-of-use assets	6,994
Trade and other receivables	203,820
Amount due from an associate	314,511
Properties under development for sale	1,977,098
Cash and bank balances	159,676
Current tax assets	<u>32</u>
Total assets classified as held for sale before fair value loss	<u><u>3,175,097</u></u>
Trade and other payables	156,598
Contract liabilities	931,339
Borrowings	1,202,073
Deferred taxation	45,777
Lease liabilities	<u>7,932</u>
Liabilities associated with assets classified as held for sale	<u><u>2,343,719</u></u>
Total non-controlling interest	<u><u>14,624</u></u>
Net asset less non-controlling interest	<u><u>816,754</u></u>
Consideration of disposal group	<u>744,156</u>
Fair value loss on non-current assets held for sale (Note 8)	<u><u>(72,598)</u></u>

17. CONTINGENT LIABILITIES

At the end of the Period, the Group and the Company did not have any significant contingent liabilities (31 December 2020: Nil).

18. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these Interim Financial Statements, the Group had no other transactions and balances with its related parties during the Period (31 December 2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Results for the Period

Revenue of the Group for the Period amounted to approximately HK\$210,075,000, whereas it was approximately HK\$154,692,000 for the twelve months ended 31 December 2020.

The consolidated loss of the Group for the Period amounted to approximately HK\$339,891,000 and a loss of approximately HK\$67,192,000 was reported for the twelve months ended 31 December 2020.

The following is the review of the business of the Group for the Period and the outlook of the Group's business for the twelve months ended 30 June 2023.

Manufacture and sale of healthcare and household products

Revenue of the healthcare and household products business for the Period amounted to, approximately HK\$202,822,000 (the twelve months ended 31 December 2020: approximately HK\$149,768,000). USA remained as the biggest market for our healthcare and household business segment, which accounted for approximately 76% of the revenue derived from this segment, as P&G kid's toothbrush and Perrigo ramped up the order schedule to replenish their inventory. Europe and the rest of the world accounted for approximately 13% and 11% of the Group's revenue derived from this segment respectively.

Gross profit margin for the segment was approximately 17.4% for the Period, which represented a drop of approximately 9.2% as compared with the gross profit margin for the segment for the year ended 31 December 2020. The global shipping disruption, an aftermath of the Covid-19 epidemic, has led to tight manufacturing schedule as customers scrambled to restock their inventory. This together with the inflationary pressure on the cost of raw materials had adversely affected our gross profit margin.

Money lending business

The segment revenue being interest income from the Group's money lending business for the Period was approximately HK\$7,253,000 (the twelve months ended 31 December 2020: HK\$4,924,000). Depending on the nature and terms and conditions of each loan that was made, interest rate ranged from 7% per annum to 24% per annum. Total loan receivables as at 30 June 2022 was approximately HK\$46,292,000 (as at 31 December 2020: HK\$69,625,000) after reviewing the risk of default of individual borrowers and making an impairment allowance of HK\$3,166,000 (as at 31 December 2020: HK\$3,166,000). In view of the recent market sentiment, the Group does not expect further growth in its money lending business for the twelve months ended 30 June 2023.

Coal mining business

During the period under review, the Group's coal mine project in Central Kalimantan Province in the Republic of Indonesia ("PT Bara Mine"), was notified by the Indonesian Government on 22 April 2022 that the Mining License has been revoked and declared invalid with effect from the same date, as disclosed in the announcement of the Company dated 26 April 2022. Since then, the Company has been using its best endeavors to negotiate with the relevant authorities in respect of the incident to explore the possibility to reinstate the Mining License. In June 2022, the Company submitted the application for the reinstatement of the Mining License to the relevant authorities. So far it has clarified all the enquiries and satisfied all the conditions raised by the relevant authorities including provision of mining documents and settlement of taxes and dues and it is expected that it will receive decision from the relevant authorities soon.

On 6 October 2022, we have received the Legal Opinion from the Indonesia legal adviser regarding our application for the reinstatement of the Mining License of PT Bara Mine, which showed that they were optimistic about the result as we had met all requirements requested by the government.

No capital expenditure was incurred on mining infrastructure as there was no development activity during the Period. Operating expenses related to the Group's coal mining business charged to the statement of profit or loss and other comprehensive income were mainly administrative expenses amounted to approximately HK\$1,252,000 for the Period (the twelve months ended 31 December 2020: HK\$2,159,000).

The coal resource estimates as at 30 June 2022 were as follows:

JORC Category	Coal Resource Estimate (in thousand tonnes)		Change in %	Reason of change
	As at 30 June 2022	As at 31 December 2020		
Measured	8,705	8,705	Nil	N/A
Indicated	11,537	11,537	Nil	N/A
Inferred	6,097	6,097	Nil	N/A
	<u>26,339</u>	<u>26,339</u>		

As no exploration and mining activity had been carried out during the eighteen months ended 30 June 2022, there was no material change to the PT Bara Mine since the end of 2020 and the coal resources estimates as at 30 June 2022 were the same as those recorded as at 31 December 2020. No review of the coal resources was carried out during the eighteen months ended 30 June 2022.

The carrying amount of the exploration and evaluation assets is reviewed for impairment annually. The last valuation of PT Bara Mine was done at the beginning of 2021 by Graval Consulting Limited and an impairment loss of approximately HK\$34,030,000 was recognised for the twelve months ended 31 December 2020, being the recoverable amount of the PT Bara Mine less than its carrying amount as at 31 December 2020.

Primary land development

The primary land development project is located at Luanping County, Chengde, Hebei Province, the PRC (the “**Luanping Project**”). The Luanping Project consists of two phases. Phase one of the Luanping Project is expected to cover a development land area of approximately 12,000 mu and shall be completed within 8 years (8 November 2016 to 7 November 2024) while the detailed planning of the second phase of the Luanping Project is yet to commence. Chengde CITIC Securities Urban and Rural Development Co., Ltd.* (承德中證城鄉開發有限公司) (“**Chengde Development**”) is the project company of the Luanping Project. The Company indirectly holds 42.5% interest of the Luanping Project. The Luanping Project is capital intensive. The cost of development of the infrastructure is borne by Chengde Development, and when the land has been developed to a ready and saleable state, the government authority is obligated to conduct land sale through auctions. Chengde Development will only be able to recover its development costs or receive the share of proceeds after the sale of developed land through auction by the local government. Any delay in land auctions of the Luanping Project would adversely affect the operating cashflow of the Luanping Project.

As disclosed in the 2021 second interim report of the Company, the operations of all property development projects for Luanping County, including the Luanping Project, were suspended by the local government due to ecological environmental issues. As such, during the first half of the year 2022, no land auction was carried out. During the period under review, only one land auction was carried out. The area of the land plot is 6.255 mu and the price of land is approximately RMB5,200,000.

On 26 April 2022, the National Development and Reform Commission and the Ministry of Ecology and Environmental Protection officially approved the second batch of ecological oriented development (EOD) simulation pilots nationwide. The “Chaohe River Basin (Luanping Section) Ecological Governance and Rural Revitalization Integrated Development Project” (“**Luanping EOD Pilot Project**”) submitted by the governance of Luanping County, is one of the approved pilot projects. According to the Public Bidding Announcement on the Selection of Social Capital for Chaohe River Basin (Luanping Section) Ecological Governance and Rural Revitalization Industry Integration Development (EOD) and Industrial Solid Waste Comprehensive Utilization Project issued by the government, the investment scale of Luanping EOD pilot project is about RMB18.5 billion.

The significance of Luanping EOD pilot project for Luanping Project Company are as follows:

1. The EOD pilot project will bring huge infrastructure investment funds to Luanping County, and the early investment of Luanping Project Company is expected to be repaid by the government. According to the operation mode of stock projects in the implementation plan of Luanping EOD pilot project on pages 44-46, the initial investment of Luanping Project Company is about RMB828 million. Luanping government will negotiate with the successful bidder of EOD pilot - Gezhouba consortium (葛洲壩聯合體) on the specific way and time of fund return of stock project.
2. The EOD pilot will eliminate the impact of the “Chaohe River Basin Ecological and Environmental Protection Event” that has plagued the land development in Luanping, and greatly enhance the willingness of real estate development enterprises to invest in Luanping.

As at 30 June 2022, the outstanding loans in respect of the Luanping Project that were due for repayment amounted to RMB1,349 million and loans in the principal amount of RMB97 million and RMB427 million will fall due by the end of 2022 and 2023, respectively. The delay in land auction for the Luanping Project has resulted in cash flow issue for the operation of the project. The Company understood from the government authority that the timing of full resumption of land auctions is uncertain given the prolonged prevalence of the Covid-19 epidemic and the changing regulatory landscape. In view of the above and the uncertainty in the PRC property market, the Company has entered into an agreement to dispose the Luanping Project and details regarding the disposal are to be discussed below.

Property development

The property development segment includes two property projects: the project in Nancheng District, Dongguan City, Guangdong Province (the “**Dongguan Project**”), and the project in Liuhe District, Nanjing City, Jiangsu Province (the “**Nanjing Project**”).

The name of the Dongguan Project is CITIC·Cloud Courtyard* (中證·雲庭), which is located at the Nancheng District, Dongguan City. It is the area with the most mature supporting facilities and scarce housing supply in Dongguan City. The Dongguan Project is a small scale property development project which includes the development of two composite buildings comprising residential units and commercial units with GFA of approximately 23,410 sq.m. and 4,897 sq.m., respectively, and 178 car parking lots. The construction of the project is already completed and the delivery is in process. The project completion filing can be completed after the fire protection acceptance.

For the Dongguan Project, during the period under review, the project progress can be summarized as follows:

- a total gross floor area of 18,802 square meters with amount of approximately RMB652,552,053 have been sold;
- construction has been completed;
- the fine decoration has been basically completed;
- the project planning acceptance has been completed;
- the main acceptance of fire protection acceptance of the project has been completed;
- the civil air defense acceptance has been completed;

The name of the Nanjing Project is Spring Breeze* (“泉悦春风”), which is located at Naishan ecological scenic area, Long Pao New City, Jiangbei New Area, Nanjing. The Nanjing Project is a large scale property development project comprises three phases which include the development of low-rise comprehensive residential units, commercial buildings, hotel and other ancillary facilities covering a total gross floor area of approximately 340,000 sq.m. The construction work of the first phase of the project is still in progress and has been delayed as a result of the Covid-19 epidemic. The project company has not yet commenced the construction of the remaining phases of the project. The Nanjing Project Company has already obtained the pre-sale permits and launched the pre-sale of residential units covering a total GFA of approximately 43,464 sq.m.

For the Nanjing Project, during the period under review, the project progress can be summarized as follows:

- Contracts have been signed for 22 units (gross floor area of 3,566.74 square meters with amount of approximately RMB82,730,000);
- 40 units have been subscribed (gross floor area of 6,373.54 square meters with amount of approximately RMB143,270,000);
- Cover of the first phase residential units have been completed by 90%;
- the construction of the main entrance landscape, hot spring experience area, sample house and landscape has been completed.

In 2021, the banks keep being stringent in granting mortgages, with the consequential effects that potential buyers have been discouraged from purchasing property; and some buyers have had difficulties in settling payment for the property units especially in face of the Covid-19 epidemic. Due to the tightening of home mortgage approval in the PRC, the cash flows of these projects were being adversely affected during the period under review and the proceeds from the sales of properties of these projects generated so far were not sufficient to settle the outstanding loans which have been overdue as at 30 June 2022.

In view of the tightening of home mortgages approval and the unsatisfactory sale performance of these projects, the Company intends to dispose the entire issued share capital of Hong Kong Zhongzheng City Investment Limited (“**Investment Company**”, together with its subsidiaries, the “**Disposal Group**”), which is a wholly-owned subsidiary of the Company holding Luanping project, Nanjing Project and Dongguan Project and was acquired from Hong Kong Zhongzheng Huijing Limited (“**HK Huijin**”) in 2019. On 25 May 2021 and 25 August 2021, a memorandum of understanding (“**MOU**”) and a supplemental MOU were entered into between the Company and HK Huijin in relation to the possible disposal. On 24 September 2021, a conditional sale and purchase agreement was entered into among the Company, Grand Prominent International Limited (“**GPI**”, a wholly-owned subsidiary of the Company), HK Huijin, and Qianhai Zhongzheng (full name 深圳市前海中證城市發展管理有限公司, the parent company of HK Huijin) (“**Disposal Agreement**”).

The salient terms of the Disposal Agreement are as follows:

- i. GPI agreed to sell to HK Huijin the entire equity interests it holds in the Investment Company, being the Sale Shares;
- ii. in consideration for GPI agreeing to sell the Sale Shares, HK Huijin and/or Qianhai Zhongzheng and/or parties procured by Qianhai Zhongzheng (as the case may be) will, on the Completion Date, make cash payment and payments in kind to GPI as follows:
 - a) payment of HK\$308,432,023 in cash by HK Huijin to GPI;
 - b) the assignment by Qianhai Zhongzheng of the P-Note of RMB200,000,000 (equivalent to approximately HK\$234,484,000) to the Company (as nominee of GPI) for cancellation and set-off; and
 - c) the transfer of the 1st Acquisition Consideration Shares by Goldstone and Zhongzheng Investment (as procured by HK Huijin and Qianhai Zhongzheng) to the Company (as nominee of GPI). (The 1st Acquisition Consideration Shares represents approximately 18.08% of the total number of existing issued Shares of the Company, which was issued by the Company in 2019 as part of the consideration of the acquisition of the then entire issued share capital of the Investment Company by GPI from HK Huijin.); and

- iii. the Disposal Group Loans provided by the Group to the Disposal Group in the aggregate principal amount of approximately HK\$139 million outstanding as at the date of the Disposal Agreement and the interest accrued up to the date of repayment shall be settled within two months from the Completion Date.

Upon Completion, the Investment Company will cease to be a subsidiary of the Company and the financial results of the members of the Disposal Group will no longer be consolidated into the financial statements of the Group. And none of Qianhai Zhongzheng, Goldstone, Zhongzheng Investment, HK Huijin and/or their associates will continue to hold any of the 1st Acquisition Consideration Shares or the P-Note.

The net cash proceeds after deduction of the related expenses from the Disposal of HK\$7.5 million are estimated to be HK\$300,932,023. Pursuant to the terms of the Disposal Agreement, the Disposal Group Loans in the aggregate principal amount of HK\$139,099,000 will be repaid to the Company within two months from the Completion Date. The Company intends to apply the total net cash proceeds of HK\$440,031,023 (excluding the accrued interest which will be repaid together with the principal amount of the Disposal Group Loans) as to (i) HK\$250,000,000 for the repayment of the Company Debt owed to Mr. Lim (a substantial shareholder and non-executive Director) by the Company; (ii) HK\$110,000,000 for the development of the healthcare and household business of the Group; (iii) HK\$20,000,000 for the repayment of part of the borrowings of the Remaining Group; and (iv) the remaining balance of HK\$60,031,023 for general working capital or settlement of the unpaid accrued interest of the Company Debt. The amount of accrued interest payable on the Disposal Group Loans to be received by the Company will be used as general working capital of the Remaining Group.

Upon Completion, the Remaining Group will be principally engaged in manufacturing and trading of healthcare and household products, money lending business and coal mining business.

Details of the Disposal are set out in the Circular dated 12 November 2021, and the Company has obtained the approval of the ordinary resolution(s) for approving the Disposal Agreement and the transactions contemplated thereunder by the Independent Shareholders at the SGM by way of poll on 2 December 2021.

On 28 February 2022, all conditions precedent to the Disposal Agreement were fulfilled and the Disposal shall proceed to Completion. However, as additional time is required for HK Huijin to arrange the funding for settling the Cash Consideration, the parties to the Disposal Agreement had entered into four respective supplemental agreements dated 31 December 2021, 28 February 2022, 31 May 2022 and 30 September 2022 and the Company had issued four respective letters dated 15 June 2022, 30 June 2022, 29 July 2022 and 31 August 2022, to extend the Completion Date. As disclosed in the announcement of the Company dated 30 September 2022, the Completion Date has been extended to 30 November 2022 (or such other date as the parties to the Disposal Agreement may agree).

Based on the currently available information, in the preliminary view of the management of the Company, if the disposal is completed, there will be a loss on the disposal of approximately HK\$72,598,000.

Update on the proposed commercial development at Port Dickson, Malaysia

The development plan of the proposed commercial development at Port Dickson, Malaysia has been submitted to the relevant government agencies for approval and the part of the plan that related to the building of berths has already been approved and completed. Malaysia has been affected by Covid-19 epidemic and been under lock down or different degree of movement control order (MCO) has been applied. The local management has applied for extension of planning approval and obtained from the Planning Department, for the proposed project that includes open parking, sales gallery, hotel, show units, retails, event space, glamping site and outdoor garden. In August 2021, submission of earthwork was made to the Engineering Department of Port Dickson Municipal Council. The Covid-19 epidemic has hindered the development of the project, but the local management has been working closely with government agencies on various aspects of the project.

PROSPECT

Healthcare and household products business

Since the beginning of the Covid-19 pandemic and restrictions, as global shipping disruption had a serious impact on customer orders, hence dramatically increased the logistics cost and unstable shipping schedule. The Group has remained cautious about the outlook of the global consumer market despite the war between Ukraine and Russia broke out since the early part of 2022. The easing of restrictions of Covid-19 in most parts of the world has created some normalcy for business operation. On the other hand, the Group will continue to improve productivity and operational efficiency to lower production costs.

The Group is optimistic in the outlook for the healthcare and household products business the rest of 2022. While existing projects are meeting the forecast, the Perrigo powered oral care private label program is growing rapidly with sales projection approaching HK\$70 million. New adult electric toothbrushes are in full scale production from Q3 & Q4 2022. The new Perrigo Firefly brand kids learning electrical toothbrush will enter mass production stage from December for Q1 2023 sales at Walmart in the U.S., a further product upgrade is under development for other major US retailers. The Company is expecting the sales of approximately HK\$180,000,000 for the whole year of 2022. Whereas the outlook for 2023 is challenging as U.S. and Europe are experiencing economic downturn, further slowing is likely as more countries fall into recession. Traditional old products, the Oral-B and the Firefly powered kids toothbrushes, will be hard hit, order commitment for Q1 2023 is low. New product innovations and retailer private label will be key growth drivers in 2023. A brand new market segment “mid-tier” kids electric toothbrush will enter mass production in November 2022, it is from a major U.S. oral care customer Church & Dwight for launch into Walmart in Q1 2023, with a sales projection approximately HK\$8 Million. We have completed a first round bidding for a new adult electric toothbrush project from Church & Dwight, contract will be awarded in November 2022 for mass production in August 2023, total project production will be 4.7 million pieces annually. The Group will continue to expand resources in the research and development capabilities in coping with increasing technical needs from our customers and to be able to stay on top of the competition. In countering the swinging manufacturing costs, the Company continues to adopt revolutionary production designs, gear for automation in production optimizing greatest cost efficiency in output and quality.

Primary land development and property development business

In 2022, the PRC government has clarified the goal of real estate policy on “stabilizing land prices, housing prices and expectations”, and highlighted “implementing policies based on the city”. In order to release the reasonable housing demand, the housing finance has further warmed up on the whole, the interest rate of residential housing loans has decreased slightly, and the policies such as the Housing Provident Fund and the down payment requirement have been further loosened. The local governments have also made active efforts to support the healthy development of the property market. And the number of cities with loose policies on purchase and sale of houses continued to increase. This is beneficial to the real estate industry and also has a positive impact on our Nanjing Project and Dongguan Project.

Luanping EOD pilot project will bring huge infrastructure investment funds to Luanping County. Luanping project's early investment may be refunded by the government, which may solve its cash flow problem. At the same time, Luanping project will also have other source of income instead of relying on the land sale sharing model of the past.

However, due to the economy depression and weak demand caused by the epidemic, many large developers have suffered from serious cash flow problem. The Board considers that the real estate industry in Mainland China still faces great challenges, so it will strive to complete the Disposal.

LIQUIDITY AND FINANCIAL RESOURCES

Cash position

As at 30 June 2022, the Group had cash and bank deposits of approximately HK\$7,774,000 (31 December 2020: HK\$177,095,000) with a foreign currency deposits denominated in Renminbi amounted to approximately HK\$314,000 (31 December 2020: HK\$169,810,000).

Current ratio

As at 30 June 2022, the Group had net current assets of approximately HK\$273,964,000 (31 December 2020: HK\$462,568,000) and current ratio (being current assets over current liabilities) of 1.09 (31 December 2020: 1.26).

Debts and borrowings

As at 30 June 2022, the Group had total debts and borrowings of approximately HK\$323,380,000 (31 December 2020: HK\$1,382,133,000) which mainly comprised of shareholder loan, unsecured loan from financial institutes and secured bank loan.

Gearing ratio

The Group's gearing ratio being total debt over total equity is 31.9% (31 December 2020: 97.0%).

Exposure to fluctuation in exchange rates, interest rates and related hedges

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The management will monitor the Group's foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise and appropriate instrument be available.

The interest rates profile of the Group's borrowings is mainly at fixed rates. The Group has minimal exposure to interest rate risk, the Group's operating cash flows are substantially independent of changes in market interest rates. The Group does not hedge against interest rates risk as the management does not foresee the impact of any fluctuation in interest rates to be material to the Group.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

The Company intends to dispose the Disposal Group. For details of the Disposal, please refer to the paragraph headed "Property development" above.

Saved as disclosed above, the Group had no other significant investments held, nor any material acquisition nor disposal in the period under review.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, the Group had 20 employees (as at 31 December 2020: 29) in Hong Kong, 874 employees (as at 31 December 2020: 671) in the PRC and 1 employee (as at 31 December 2020: 1) in Indonesia. Employees' remuneration are given and reviewed based on market norms, individual performance and experience. Awards and bonuses are considered based on the Group's business results and employees' individual merit.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD

Save as disclosed above, there are no important events affecting the Group which have occurred after the end of the financial period for the eighteen months ended 30 June 2022 and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Prospect" in this announcement, there were no other future plans for material investments or acquisition of capital assets as at 30 June 2022.

DIVIDENDS

The Board does not recommend any dividend for the Period (twelve months ended 31 December 2020: Nil).

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 eighteen months ended 30 June 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 of the Listing Rules as its own code for dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code during the eighteen months ended 30 June 2022.

CORPORATE GOVERNANCE CODE

The Company has complied with all requirements set out in the Code on Corporate Governance Practices (the “**Code**”) contained in Appendix 14 of the Listing Rules during the eighteen months ended 30 June 2022, with the exception for Provision A.4.1 which provides that non-executive Directors should be appointed for a specific term and subject to re-election. None of the independent non-executive Directors of the Company is appointed for a specific term but all are subject to retirement by rotation at the annual general meeting in accordance with the Bye-laws of the Company. As Directors’ appointment will be reviewed when they are due for re-election, the Company is of the view that this meets the same objectives of the said code provision.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises Mr. Hau Chi Kit, Mr. Leung Chi Hung and Mr. Li Hon Kuen, all being the independent non-executive Directors. Mr. Li Hon Kuen is the Chairman of the Audit Committee. The Audit Committee has adopted terms of reference which are in line with the Code.

The primary function of the Audit Committee is to review and monitor the Group’s financial reporting process and internal controls. It is also responsible for making recommendation to the Board for the appointment, reappointment or removal of the external auditor.

REVIEW OF UNAUDITED ANNUAL RESULTS

Due to the recent outbreak of COVID-19, the Company’s auditors have not fully completed the auditing process for the annual results for the eighteen months ended 30 June 2022. The unaudited consolidated financial statements are subject to adjustment or change until all auditing processes have been completed. The management of the Group will continuously monitor and provide updates on such circumstances, and will update all the necessary information in the audited annual results announcement of the Company in due course.

The audit committee of the Company (the “**Audit Committee**”) has reviewed and discussed with the management the unaudited financial statements for the eighteen months ended 30 June 2022. The unaudited financial statements for the eighteen months ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 19 October 2022.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited annual results for the eighteen months ended 30 June 2022 as agreed by the auditor and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement(s) as and when necessary if there are other material development in the completion of the auditing process.

DISCLOSURE OF INFORMATION

The electronic version of this announcement will be published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (<http://www.hkex.com.hk>) and the website of the Company. The annual report of the Company for the year ended 30 June 2022, containing all the information required by Appendix 16 to the Listing Rules, will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company’s shareholders in due course.

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

Hong Kong, 19 October 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.

* *For identification purpose only*