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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**

## **REINSTATEMENT 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 the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors of the Company (the “**Directors**”) is pleased to announce that, on 24 August 2023, PT Bara was notified by the Indonesian Government that the Mining License has been conditionally reinstated. The Mining License has become valid and has legal force with effect from 24 August 2023 subject to the conditions as further detailed below.

### **BACKGROUND**

Reference is made to the announcement of the Company dated 26 April 2022 in relation to the revocation of the coal mining license in Indonesia (the “**Announcement**”) and the annual report of the Company for the eighteen months ended 30 June 2022 (the “**2022 Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

As disclosed in the Announcement, on 22 April 2022, PT Bara was notified by the Indonesian Government that the Mining License had been revoked and declared invalid with effect from the same date. In June 2022, having obtained legal advices that it was eligible to make an application to reinstate the Mining License, PT Bara submitted an application for the reinstatement of the Mining License to the relevant authorities (the “**Reinstatement Application**”).

Up to the date of publication of the 2022 Annual Report on 31 May 2023, the results of the Reinstatement Application was still pending decision of the relevant authorities. Having considered certain factors, including but not limited to the lapse of time from the making of the Reinstatement Application, in March 2023, the legal adviser to PT Bara had advised that they were of the opinion that the chance of the reinstatement of the Mining Licenses would be remote. In this light, the management of the Company considered it appropriate to impair in full the carrying value of the Mining License for the eighteen months ended 30 June 2022. Further details of the impairment were set out in the 2022 Annual Report.

Despite the aforesaid, the management of the Company has been continuously pursuing with the relevant authorities on the status of the Reinstatement Application.

### **REINSTATEMENT OF THE MINING LINCENSE**

On 24 August 2023, PT Bara was notified by the Indonesian Government that the decision to the revocation of the Mining License has been cancelled (the “**Notice**”). The Mining License has become valid and has legal force with effect from the same date, subject to PT Bara confirming its commitment to the authorities that:

1. it is willing to carry out activities as a Mining License holder in order to encourage economic growth in accordance with government policies;
2. it is willing to follow the provisions of licensing governance in accordance with the laws and regulations;
3. it is willing to support the fulfillment of domestic needs/or increase the added value of minerals or coal;
4. it is willing to support downstream programs and partnerships in carrying out their business/investment;
5. it is willing to immediately carry out mining activities no later than six months after obtaining the approval of the work and budget plan; and
6. it accepts the consequence of revocation of business license automatically and permanently if based on the results of the evaluation it is proven that numbers 1 to 5 above are not implemented.

PT Bara has confirmed in writing the abovementioned commitments as stipulated under the Notice.

In June 2022, PT Bara entered into a non-legally binding memorandum of understanding (as supplemented by the addendums) (the “**MOU**”) with PT Nusantara Energi Thermal (“**PT NET**”), a company established under the laws of the Republic of Indonesia with limited liability and is principally engaged in coal mining activities in Indonesia for PT NET to carry out mining activities at the PT Bara Mine. For the purpose of commencing the mining activities at the PT Bara Mine as soon as practicable, PT Bara has already engaged in negotiation with PT NET for the entering into a formal cooperation agreement for the parties on the mining of the PT Bara Mine.

## **POSSIBLE FINANCIAL IMPACT TO THE GROUP**

The Company is in the course of assessing the impact of the reinstatement of the Mining License on the financial position of the Group, which would depend on certain factors including but not limited to the work and budget plan, the final terms and conditions of the aforementioned cooperation agreement and the valuation of the PT Bara Mine.

Further announcement on final business plan of and financial impact assessment on PT Bara will be made by the Company as and when necessary.

**Shareholders and potential investors of the Company are reminded that the information provided in this announcement is based on the information currently available to the Board. 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, 31 August 2023

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Leung Chung Shan, Mr. Tam Lup Wai, Franky and Mr. Liu Liyang; 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.*