ZHONGZHENG INTERNATIONAL COMPANY LIMITED
中證國際有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 943)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF THE DISPOSAL COMPANY AND ASSIGNMENT OF SALE LOAN

THE DISPOSAL

The Board announces that after the Stock Exchange trading hours on 6 August 2026, Vendor A and Vendor B, each is a wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which (i) the Vendors have agreed to sell the Sale Shares; and (ii) the Vendors have agreed to procure EML, another wholly-owned subsidiary of the Company, to sell the Sale Loan, to the Purchaser, at an aggregate cash consideration of US$1,200,000 (equivalent to approximately HK$9.4 million).

Immediately after the Effective Date, the Disposal Company will cease to be a subsidiary of the Company and the financial results, assets and liabilities of the Disposal Group will no longer be consolidated into the Group's financial statements.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Listing Rules) in respect of the Disposal are more than 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements.

INTRODUCTION

The Board is pleased to announce that after the Stock Exchange trading hours on 6 August 2026, Vendor A and Vendor B, each is a wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which (i) the Vendors have agreed to sell the Sale Shares; and (ii) the Vendors have agreed to procure EML, another wholly-owned subsidiary of the Company, to sell the Sale Loan, to the Purchaser, at an aggregate cash consideration of US$1,200,000 (equivalent to approximately HK$9.4 million).

Principal terms of the Disposal Agreement are set out below.

THE DISPOSAL AGREEMENT

Date

6 August 2026

Parties

(i) Vendor A, an indirect wholly-owned subsidiary of the Company, as one of the vendors;

(ii) Vendor B, a direct wholly-owned subsidiary of the Company, as another vendor; and

(iii) the Purchaser, as purchaser.

The Purchaser is a company established in Indonesia with limited liability and is owned as to 60% by Ms. Tina Apriliyanti and 40% by Ms. Rina Noviyanthi. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Purchaser is currently the contractor engaged by PT Bara to carry out the coal mining activities at the PT Bara Mine pursuant to the BMS Agreement entered into between PT Bara and the Purchaser on 14 October 2025. Further information of the Purchaser is set out in the section headed "Information of the Purchaser" below.

Assets to be disposed of

The assets to be disposed of comprise the Sale Shares and the Sale Loan.

The Sale Shares represent the entire issued share capital of the Disposal Company as at date of the Disposal Agreement, which shall be transferred to the Purchaser free from all encumbrances.

The Disposal Group is principally engaged in the Group's coal mining business at the PT Bara Mine, in which the Group acquired its interest in 2011. As disclosed in the annual reports of the Company, over the years, the development of the PT Bara Mine has been hindered by various factors, including, among others, difficulties in land use negotiations with local landowners and villagers, an unfavourable coal market environment marked by sustained low coal prices, the COVID-19 pandemic, the revocation of the mining licence by the Indonesian authorities and the suspension of coal production due to adverse weather conditions. As a result, the PT Bara Mine has not undergone substantial development. No revenue had been generated for many years until small-scale coal production commenced in 2024, which generated only minimal revenue.

As disclosed in the announcement of the Company dated 5 December 2025, following the entering into of the BMS Agreement, the management of the Group had intended to pursue stable and sustainable production through cooperation with the Purchaser. However, recent abrupt and significant changes in regulatory policies have materially and adversely affected the outlook and prospects of the PT Bara Mine, in particular, the reduction in the approved production quota to 21,500 tonnes has adversely impacted the operation of the PT Bara Mine. In light of the above, the Directors consider that the Disposal represents an opportunity for the Group to exit this business with discouraging outlook and to reallocate its resources to other businesses with more favourable prospects.

Further information of the Disposal Group and the background of the Disposal are set out in the sections headed "Information of the Disposal Group" and "Reasons for and benefits of the Disposal", respectively, below.

The Sale Loan represents the entire amount of the outstanding intercompany balances owing by the Disposal Group to EML as at the Effective Date, which shall be transferred and assigned to the Purchaser free from all encumbrances. Pursuant to the Disposal Agreement, the Vendors have agreed to procure EML to enter into the Deed of Assignment with the Purchaser on the Effective Date.

EML is a direct wholly-owned subsidiary of the Company. The intercompany balances represent the Group's funding for the coal mining business over the years. As at 31 May 2026, the aggregate outstanding amount of the intercompany balances was approximately HK$25.7 million, of which approximately HK$24.6 million was owed by the Disposal Company to EML and approximately HK$1.1 million was owed by PT Bara to EML.

Consideration and payment terms

The aggregate Consideration for the Sale Shares and the Sale Loan is US$1,200,000 (equivalent to approximately HK$9.4 million), which shall be payable by the Purchaser by cash transfer to the bank account designated by the Vendors in the following manners:

(i) the first instalment of 25% of the Consideration is payable within 7 (seven) Business Days after the signing of the Disposal Agreement;

(ii) the second instalment of 25% of the Consideration is payable within 20 (twenty) Business Days after the signing of the Disposal Agreement; and

(iii) the balance payment of 50% of the Consideration is payable within 7 (seven) Business Days after the transfer of the Sale Shares and the change of shareholders of the Disposal Company have been fully completed in accordance with the application laws.

Pursuant to the Disposal Agreement, the Purchaser is also required to settle the outstanding amount of royalty fees of approximately US$33,945 (equivalent to approximately HK$264,000) in respect of the coal mining activities of the PT Bara Mine under the BMS Agreement on or before the payment of the first instalment of the Consideration.

Basis of consideration

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser on normal commercial terms, taking into account, among other things, (i) the Valuation of the equity interest in the Disposal Company as at 31 May 2026 prepared by the Valuer using income approach, which indicated that, on the basis the PT Bara Mine were to be operated under the production quota of 21,500 tonnes and no subsequent upward adjustment in ensuing years, the market value of the equity interest in the Disposal Company would be nominal, as the appraised value of the Disposal Company as at 31 May 2026 was in the negative of approximately HK$31.8 million. Further details of the Valuation are set out in the section headed "The Valuation" below; (ii) the historical financial performance and the net liabilities position of the Disposal Group; (iii) the outlook of the operations of the PT Bara Mine and the prospects of the Disposal Group, as further discussed in the section headed "Reasons for and benefits of the Disposal" below; and (iv) the outstanding amount of the intercompany balances owed by the Disposal Group of approximately HK$25.7 million, which would be unlikely to be recoverable considering the financial performance of the Disposal Group.

Having considered the basis and factors described above, the Directors are of the view that the Consideration is fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

The Effective Date

The Effective Date will be on the date on which a deed of transfer of the Sale Shares has been duly executed and the transfer of ownership of the Sale Shares has been duly recorded in the Disposal Company's register of shareholders in accordance with the applicable laws and regulations in Indonesia.

INFORMATION OF THE PURCHASER

The Purchaser operates two coal mines in Indonesia and is also engaged in coal trading in Indonesia. It specialises in the trading of a wide range of coal types, including low-grade coal such as lignite and sub-bituminous coal, as well as higher-grade coal such as bituminous and anthracite coal. The Purchaser has a trading volume of approximately 250,000 tonnes of coal per month across East and West Kalimantan, Indonesia.

On 14 October 2025, PT Bara entered into the BMS Agreement with the Purchaser, pursuant to which PT Bara engaged the Purchaser to carry out all production activities at the PT Bara Mine for a period of five years from 14 October 2025 to 13 October 2030. Details of the BMS Agreement were disclosed in the announcement of the Company dated 5 December 2025.

INFORMATION OF THE DISPOSAL GROUP

Corporate information

The Disposal Company is a company established in Indonesia with limited liability and is owned as to approximately 99% by Vendor A and approximately 1% by Vendor B. It is an investment holding company and its principal asset is the holding of 99.98% issued share capital of PT Bara.

PT Bara is a company incorporated in Indonesia with limited liability. It is the operating entity of the Group's coal mining business and holds the mining licence in respect of the PT Bara Mine located in Central Kalimantan Province, Indonesia.

Information on the development of the PT Bara Mine

Since the Group's acquisition of the interest in the PT Bara Mine in 2011, the development of the project has been prolonged and subject to a number of challenges. The project was initially intended to commence production in 2013. However, this timetable was subsequently deferred and extended. In the early years, progress was hindered by difficulties in land use negotiations with local landowners and villagers, particularly in relation to compensation terms and access arrangements, together with an unfavourable coal market environment marked by sustained low coal prices, which rendered development economically unattractive. As a result, no exploration, development or production activities were carried out for an extended period, and no revenue was generated from the coal mining business.

From 2018 onwards, the Group sought to cooperate with third-party contractors to commence pre-mining construction works, with the aim of commencing production. However, progress continued to be delayed due to unresolved land access issues, weak coal prices and, subsequently, disruptions caused by the COVID-19 pandemic. In April 2022, due to tightening regulatory policy and the fact that the PT Bara Mine had yet to commence production activity, the mining licence of PT Bara was revoked by the Indonesian authorities. Following the revocation, the Group engaged in negotiations with PT Nusantara Energi Thermal (the "**Previous Contractor**") to carry out mining activities at the PT Bara Mine and made persistent efforts to pursue reinstatement of the mining licence. Subsequently, the Group obtained reinstatement of the mining licence in August 2023, conditional on commencement of mining activities. The Group then formally engaged the Previous Contractor, and coal production commenced in 2024, with the first sales in May 2024.

Notwithstanding the resumption of operations, production remained unstable. The Previous Contractor subsequently suspended production due to a combination of weak coal prices and adverse weather conditions. To resume production as soon as possible, the Group thereafter explored alternative arrangements and entered into the BMS Agreement with the Purchaser, under which the Purchaser would take over all production activities at the PT Bara Mine. The BMS Agreement was intended to provide a more stable operating framework, leveraging the Purchaser's stronger trading capacity and broader operational experience to support the resumption and sustainability of production. Subsequently, PT Bara and the Purchaser submitted a work and budget plan to the mining authority for endorsement. To the Group's unexpected, the Indonesian government requested revision of the plan and only approved a production quota of 21,500 tonnes for 2026, which is substantially lower than the level originally envisaged.

Financial information

Set out below is the key financial information of the Disposal Group extracted from the audited consolidated financial statements of the Group for the two years ended 30 June 2024 and 2025, respectively:

	For the year ended 30 June	
	2025	**2024**
	HK$'000	*HK$'000*
Revenue	1,602	300
Profit/(Loss) before taxation	(4,968)	31,312
Profit/(Loss) after taxation	(4,968)	31,312

As mentioned earlier, the Disposal Group did not generate any revenue before 2024. Due to the prolonged development of the project, impairment losses on the exploration and exploitation rights of the PT Bara Mine were provided in the consolidated statement of profit or loss and other comprehensive income in prior years. Following the revocation of the mining licence, the entire remaining carrying amount of the exploration and exploitation rights was fully impaired in the financial period from 1 January 2021 to 30 June 2022.

Subsequently, with the reinstatement of the mining licence and the commencement of mining activities, the Disposal Group recorded a one-off reversal of impairment losses of approximately HK$31.7 million, and accordingly recorded a profit for the year ended 30 June 2024. However, as the Previous Contractor was unable to meet the production level in accordance with the mining plan due to its suspension of operations, an impairment loss of approximately HK$5.8 million was recognised, resulting in a loss for the year ended 30 June 2025.

As at 31 May 2026, the Disposal Group had consolidated net liabilities of approximately HK$761,000. Its only major asset was the exploration and exploitation rights, with a carrying amount of approximately HK$25.5 million, and it had no other material assets. Such exploration and exploitation rights were evaluated based on the previous work and budget plan with a progressively increasing annual production quota to achieve 600,000 tonnes. On the other hand, the Disposal Group's liabilities mainly comprised the outstanding amount of intercompany balances owed by the Disposal Group of approximately HK$25.7 million.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the business of manufacturing and sale of healthcare and household products, coal mining business, and research and development of digital empowering solutions for the beauty industry in the PRC. The Group also has a 35%-interest in an associate principally engaged in a property development project in Malaysia.

As mentioned above, following the suspension of mining activities at the PT Bara Mine by the Previous Contractor in early 2025, the Group took active steps to resume production and subsequently engaged the Purchaser as the new contractor. At the time, the Directors were positive about implementing a sustainable production plan, taking into account the Purchaser's operational experience, broader customer base and financial capability.

However, regulatory developments in Indonesia in 2026 have materially and adversely affected this outlook. In early 2026, Minerba requested PT Bara to reduce its proposed annual coal production for 2026 from 600,000 tonnes to 21,500 tonnes, which was entirely unexpected. The Directors were then aware that there was a change in the policy direction of Indonesia's authorities to reduce and consolidate coal production among major operators to sustain coal prices. This was followed by a further policy announcement in May 2026 to centralise the export of certain strategic natural resources, including coal, through a government-appointed state-owned enterprise.

Following the reduction in production quota, the Directors have undertaken ongoing efforts to understand and assess the relevant policy changes, regulatory requirements and their operational implications for the PT Bara Mine. Based on the Directors' understanding, PT Bara may apply for an increase in its production quota. The Group has then filed an application for an increase of the annual production quota to 315,000 tonnes, and further increase, if applicable, may be applied afterwards. However, given the relatively small scale of the PT Bara Mine and the foreign owned background of the Disposal Group, it is highly uncertain as to whether PT Bara would be able to obtain a meaningful increase in its quota. In addition, no assurance could be obtained regarding either the timeframe for the review and approval process or the likelihood of success. The Directors are thus of the view that, despite application could be made to pursue quota increase, in light of the uncertainty of outcome, it may not be commercially justifiable to continue the operation relying on such pursuing on an ongoing basis.

The significantly reduced production quota renders the original production and sales plan impracticable, as it represents less than one month of output under the initial plan. At this level, the Purchaser has indicated that it would be unable to achieve the requisite economies of scale to fulfil its contractual obligations, as it would not be commercially viable to mobilise equipment and labour for a one-month operation followed by prolonged idling for the remainder of the year. Alternatively, should the Group elect to operate the PT Bara Mine independently, it would be required to undertake infrastructure development and procure equipment and labour resources that are currently arranged by the contractor. In the absence of continuous and sustainable production activities, the recurring operating expenses incurred would likewise be unjustifiable.

While the Group has devoted substantial efforts over the years to developing this business, the Directors consider that exposure to ongoing regulatory and operational risks has become significant, and the business outlook has become highly uncertain. In light of the uncertainty surrounding the resumption of a meaningful production quota and the timeframe for achieving the same, the continued operation of the business is considered uneconomical in the circumstances. Accordingly, the Directors are of the view that the Disposal provides the Group with an opportunity to exit this business and to reallocate its financial and management resources to opportunities with more favourable commercial prospects. The Disposal will also enable the Group to recover part of its investment in the coal mining business, which would otherwise be unlikely to be recoverable, having regard to the financial performance and prevailing conditions of the PT Bara Mine.

Accordingly, the Directors consider that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable, and that the Disposal is in the interests of the Company and the Shareholders as a whole.

THE VALUATION

The Valuer has been engaged by the Company to conduct the Valuation of the market value of 100% equity interest in the Disposal Company as at 31 May 2026 for the purpose of the Disposal.

Based on the appraisal of the Valuer, the market value of the Disposal Company was in the negative of approximately HK$31.8 million as at 31 May 2026. As the market value of the Disposal Company is a negative amount, the Valuer is of the opinion that the market value of the equity interest in the Disposal Company as at 31 May 2026 was nominal.

Details of the Valuation are summarised below.

Valuation approach

The following generally accepted valuation approaches have been considered in the course of the Valuation: (a) the income approach; (b) the market approach; and (c) the cost approach.

The selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the valuation and professional judgment and technical expertise.

The income approach:

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The income approach was adopted in the Valuation, as it takes the firm-specific issues of the Disposal Group and asset-specific issues of the PT Bara Mine into consideration, including, but not limited to, the BMS Agreement entered into between PT Bara and the Purchaser and the reduction in the approved production quota to 21,500 tonnes for 2026.

The market approach:

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

The market approach relies generally on deriving value through a measure of the values of industry comparables or market transactions. Given the characteristics of the Disposal Group and the PT Bara Mine, especially the minimal annual production of 21,500 tonnes, there was a lack of explicitly industry comparables or market transactions available as at the date of the Valuation to derive an indicative value of the Disposal Group and the PT Bara Mine with sufficient level of accuracy. Accordingly, the market approach was abandoned.

The cost approach:

The cost approach provides an indication of value based on the principle that an informed buyer would pay no more than the cost of producing the same or a substitute asset with equal utility as the subject asset.

The cost approach was also considered inappropriate as the replication cost of the Disposal Group and the PT Bara Mine, without consideration of factors such as the reduction in the approved production quota that will materially affect the future economic benefits, may not represent the values of the Disposal Group and the PT Bara Mine.

Valuation methodology

Under the income approach, the discounted cash flow ("**DCF**") method was adopted for the Valuation. The DCF method is the most fundamental and prominent method of the income approach. In applying the DCF method, the free cash flows of the subject asset in future years were determined from the net income after tax plus non-cash expenses, such as depreciation and amortization expenses, and after-tax interest expense. The result was then less non-cash incomes, investment in capital expenditure and investment in net working capital.

The free cash flows were computed using the following formula:

$$FCF = NOPAT + NCE - NCI - InvFA - InvNWC$$

Where:

FCF	=	*free cash flow*
NOPAT	=	*net operating profit after tax*
NCE	=	*non-cash expenses*
NCI	=	*non-cash incomes*
InvFA	=	*investment in capital expenditure*
InvNWC	=	*investment in net working capital*

The results were then discounted using a discount rate, or the cost of capital, to determine the present value of the expected cash flows.

The present value of the expected cash flows was computed using the following formula:

$$PVFCF = FCF_1/(1 + r)^1 + FCF_2/(1 + r)^2 + \ldots + FCF_n/(1 + r)^n$$

Where:

PVFCF	=	*present value of free cash flows*
FCF	=	*free cash flow*
r	=	*discount rate*
n	=	*number of year of projections*

Key parameters used in the Valuation

Revenue

According to the work and budget plan submitted by PT Bara and the Purchaser and approved by Minerba, the planned coal production of PT Bara Mine for 2026 is 21,500 tonnes. Given the uncertainty in future mining policies in Indonesia, the production amount is assumed to be the same throughout the forecast period.

According to the BMS Agreement, the Purchaser is obligated to pay net royalty fees to PT Bara on the basis as stipulated in the BMS Agreement, which shall be determined in accordance with the selling price. As the actual coal price was above US$60 as at the date of the Valuation, a royalty of US$4.00 per tonne has been adopted in the Valuation. As a result, the annual royalty fees received by the Disposal Group is projected to be US$86,000, or equivalent to approximately HK$666,500.

Operating Expenses

According to the BMS Agreement, the Purchaser shall carry out all production activities which include pre-production, production, sales and post-production operations and bear all costs relating to the aforesaid operations including but not limited to operating costs, land acquisition costs, reclamation and infrastructure costs, taxes and other government expenses.

The operating expenses incurred by the Disposal Group include personnel expenses and taxes and other administrative expenses, which are projected to be approximately HK$1 million in total per year, with periodic expenses for technical reports (approximately HK$1.5 million in fiscal year 2026/27 and HK$2.8 million in fiscal year 2029/30) and extension of licence (approximately HK$2.2 million in fiscal year 2027/28).

Comparable Companies

For the purpose of the Valuation, the Valuer referred to the information in respect of publicly listed companies that are selected based on the comparability of the overall industry sector and geographical location for the purpose of determining certain parameters, including the discount rate, adopted in the DCF model applied in the Valuation (the "**Comparable Companies**"). Although no two companies are ever exactly alike, behind the differences there are certain business universals such as required capital investment and overall perceived risks and uncertainties that guided the market in reaching the expected returns for companies with certain similar attributes.

The selection criteria of the Comparable Companies are as follows:

- The principal activities of the Comparable Companies are located in Indonesia.
- The Comparable Companies are principally engaged in the coal operation business involving coal mining and the related operation.
- Shares of the Comparable Companies are listing in stock exchange in Indonesia and are being actively traded in a reasonable period of time.
- Detailed financial and operational information in respect of the Comparable Companies are available at publicly available sources.

Given the above-mentioned selection criteria, an exhaustive list of 13 Comparable Companies were selected.

Discount rate

The weighted average cost of capital ("**WACC**") was adopted as the discount rate for the Valuation. It is the required return on the capital investment of a company. The cost of capital will be different for each source of capital and class of securities a company has, reflecting the different risks. The WACC is the weighted average of the costs of each of the different types of capital, and the weights are proportion of the company's capital that comes from each source.

Adopted rates of the valuation parameters

In the Valuation, the adopted rates as at 31 May 2026 are as follows:

Valuation parameter	**Rate**	**Source**
Risk-free rate	6.72%	The yield rate of the 10-year government bond of Indonesia as at the date of the Valuation was adopted as the risk-free rate in the Valuation.

Valuation parameter	Rate	Source
Beta coefficient	0.703	In the Valuation, as the Disposal Group is not listing in any major stock exchange or be marketable in any over-the-counter market, it is not possible to determine its beta coefficient directly. Instead, the beta coefficient for the Disposal Group was determined as the median of the betas of the Comparable Companies, with adjustment for differences in corporate tax rates and leverage compositions.
Market risk premium	8.77%	The market risk premium of Indonesia as at the date of the Valuation was computed using the market return and risk-free rate of Indonesia.
Size premium	2.59%	By considering the size of the Disposal Group, a size premium was adopted in the Valuation.
Company-specific risk premium	5.00%	By considering the additional risk associated with the operation of the Disposal Group and the PT Bara Mine, a company-specific risk premium was adopted in the Valuation.
Cost of equity	20.48%	The cost of equity was determined using the capital asset pricing model.
Cost of debt	14.72%	The cost of debt was determined by the expected lending rate of the Disposal Group.
After-tax cost of debt	11.48%	Since the interest paid on debts are tax-deductible expense for a company, the cost of the company of obtaining debt funds is less than the required rate of return of the suppliers of the debt capital. The after-tax cost of debt was calculated by multiplying one minus the corporate tax rate of Indonesia by the cost of debt.

Valuation parameter	Rate	Source
Weight of debt	10.45%	The weight of debt was determined by the median of the weights of debt of the Comparable Companies, assuming that the weight of debt of the Disposal Group moves toward that of the average of the Comparable Companies over time.
Weight of equity	89.55%	The weight of equity was determined by the median of the weights of equity of the Comparable Companies, or calculated as one minus the weight of debt of the Disposal Group.
Discount rate	19.54%	The WACC calculated by adopting the above rates.

Amounts due to EML

In the Valuation, adjustment for non-operating asset and liability (if any) has been made to the resulting operating cash flows in order to derive the market value of the Disposal Company. The non-operating liability held by the Disposal Group including the intercompany loans owing by the Disposal Group to EML, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company. As at the date of Valuation on 31 May 2026, the aggregate outstanding amount of the intercompany loans was approximately HK$25.7 million, of which approximately HK$24.6 million was owed by the Disposal Company to EML and approximately HK$1.1 million was owed by PT Bara to EML.

Major assumptions

Set out below are the major assumptions adopted for the Valuation:

(a) General assumptions:

- There will be no material change in the existing political, legal, fiscal, technological, economic and market conditions in the jurisdiction where the Disposal Group and the PT Bara Mine are currently or will be situated.

- There will be no material change in the taxation laws and regulations in the jurisdiction where the Disposal Group and the PT Bara Mine are currently or will be situated, that the tax rates will remain unchanged and that all applicable laws and regulations will be complied with.

- The market return, market risk, interest rates and exchange rates will not differ materially from those of present or expected.

- The supply and demand, both domestically and internationally, of the products of the PT Bara Mine or similar products will not differ materially from those of present or expected.

- The market prices and the relevant costs, both domestically and internationally, of the products of the PT Bara Mine or similar products will not differ materially from those of present or expected.

- The products of the PT Bara Mine or similar products are marketable and liquid, that there are active markets for the exchange of the products of the PT Bara Mine or similar products.

- The market data, industry information and statistical figures obtained from publicly available sources are true and accurate.

(b) Specific assumptions

- All licences, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operation of the coal mine have been obtained or can be obtained upon request with an immaterial or expected cost.

- The core operation of the Disposal Group and the PT Bara Mine will not differ materially from those of present or expected.

- The financial and operational information in respect of the Disposal Group and the PT Bara Mine has been prepared on a reasonable basis that have been arrived at after due and careful consideration by the senior management of the Company.

- The information in respect of the PT Bara Mine as stated in the JORC Resource Report has been prepared on a reasonable basis that have been arrived at after due and careful consideration by SRK Consulting, the consultancy firm preparing the JORC Resources Report.

- The Disposal Group and the PT Bara Mine currently have, or will have, adequate human capital and capacity required for the production of the products of the PT Bara Mine, and the required human capital and capacity will be acquired in a timely manner that will not affect the operation of the PT Bara Mine.

- The Disposal Group and the PT Bara Mine have acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time.

- The senior management of the Disposal Group and the PT Bara Mine will implement only those prospective financial and operational strategies that will maximize the efficiency of the operation of the PT Bara Mine.

- The senior management of the Disposal Group and the PT Bara Mine have sufficient knowledge and experience in respect of the operation of the PT Bara Mine, and the turnover of any director, management or key person will not affect the operation of the PT Bara Mine.

- The senior management of the Disposal Group and the PT Bara Mine have adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the PT Bara Mine.

- The senior management of the Disposal Group and the PT Bara Mine have adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the PT Bara Mine.

- After discussed with the senior management of the Company, the production of the PT Bara Mine is forecasted to be 21,500 tonnes per year in the forecasted period given the restriction from the government.

- The coal price in the forecasted period will remain the same as at the date of the Valuation.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Upon completion of the Disposal, the Group is expected to recognise a loss of approximately HK$15.5 million, which is calculated by reference to the unaudited consolidated net liabilities of the Disposal Group of approximately HK$761,000, the outstanding intercompany balances of approximately HK$25.7 million and the Consideration of approximately HK$9.4 million.

The estimated loss on disposal is for illustrative purpose only, which will have to be ascertained at the time of preparation of the Company's consolidated financial statements, and is subject to audit.

Immediately after the Effective Date, the Disposal Company will cease to be a subsidiary of the Company and the financial results, assets and liabilities of the Disposal Group will no longer be consolidated into the Group's financial statements.

The Company intends to apply the entire proceeds from the Disposal for the general working capital of the Group, including settlement of the related expenses of the Disposal.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Listing Rules) in respect of the Disposal are more than 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements.

ADDRESSING AUDIT QUALIFICATION

A disclosed in the "management discussion and analysis" section in the annual report of the Company for the year ended 30 June 2025 (the "**2024/25 Annual Report**"), there was one audit qualification, being the qualification relating to the exploration and evaluation assets in respect of the PT Bara Mine, remaining to be addressed. Details of the said qualification are set out in the 2024/25 Annual Report.

Following the Disposal, the Directors expect, and the auditors of the Company are also of the view, that the qualified opinion relating to the exploration and evaluation assets in respect of the PT Bara Mine can be fully addressed and removed in the subsequent financial statements of the Group, notwithstanding there will be qualified opinion on the impairment loss on the exploration and evaluation assets which will be reflected in the consolidated statement of profit or loss and other comprehensive income for the year ending 30 June 2026 and for the comparative figures for the year ending 30 June 2027.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below unless the context requires otherwise:

"associate(s)"	has the same meaning ascribed thereto in the Listing Rules
"BMS Agreement"	the contracting agreement dated 14 October 2025 entered into between PT Bara and the Purchaser in respect of carrying out production activities in the PT Bara Mine
"Board"	the board of Directors
"Business Day(s)"	Monday through Friday, except national holidays designated by the Government of Indonesia
"Company"	Zhongzheng International Company Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 943)
"connected person(s)"	has the same meaning ascribed thereto in the Listing Rules
"Deed of Assignment"	the deed of assignment to be entered into between EML and the Purchaser in respect of the assignment of the Sale Loan by EML to the Purchaser
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares and the Sale Loan by the Vendors to the Purchaser pursuant to the terms of the Disposal Agreement
"Disposal Agreement"	the sale and purchase agreement dated 6 August 2026 entered into between the Vendors and the Purchaser in relation to the Disposal

"Disposal Company"	PT Karya Dasar Bumi, a company established under the laws of Indonesia with limited liability and an indirect wholly-owned subsidiary of the Company
"Disposal Group"	the Disposal Company and its subsidiaries
"Effective Date"	the effective date of transfer of the shares of the Disposal Company from the Vendors to the Purchaser
"EML"	eForce Management Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Indonesia"	the Republic of Indonesia
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Minerba"	Indonesia's Ministry of Energy and Mineral Resources
"PT Bara"	PT Bara Utama Persada Raya, a company established under the laws of Indonesia with limited liability and is owned as to 99.98% by the Disposal Company
"PT Bara Mine"	the coal mine located in Central Kalimantan Province, Indonesia, for which PT Bara holds the mining licence
"Purchaser"	PT Baraindo Multi Sejahtera, a company established under the laws of Indonesia with limited liability
"Sale Loan"	the entire amount of the outstanding intercompany balances owing by the Disposal Group to EML as at the Effective Date
"Sale Shares"	the entire issued share capital of the Disposal Company as at the date of the Disposal Agreement
"Share(s)"	ordinary share(s) of par value of HK$0.0008 each in the issued share capital of the Company

"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Valuation"	the valuation of the Disposal Group as at 31 May 2026 as appraised by the Valuer
"Valuer"	BMI Appraisals Limited, an independent professional firm providing valuation and consulting services
"Vendor A"	Fastport Investment Holdings Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
"Vendor B"	Big Advance Holdings Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
"Vendors"	Vendor A and Vendor B
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent.

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

Hong Kong, 6 August 2026

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tam Lup Wai, Franky, Mr. Liu Liyang and Mr. Zhang Yuanzhou; one non-executive Director, namely Mr. Lim Kim Chai, J.P.; and four independent non-executive Directors, namely Mr. Hau Chi Kit, Mr. Leung Chi Hung, Mr. Li Hon Kuen and Ms. Yang Yan Tung Doris.

For the purpose of this announcement, unless otherwise specified, the conversion of US$ into HK$ is based on the exchange rate of US$1.00 to HK$7.80. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate or at all.

* *For identification purpose only*