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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)**

## **CANCELLATION OF P-NOTE IN RESPECT OF VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN HONG KONG ZHONGZHENG CITY INVESTMENT LIMITED INVOLVING OFF-MARKET SHARE BUY-BACK AND SPECIAL DEAL**

References are made to (i) the announcements of Zhongzheng International Company Limited (the “**Company**”) dated 24 September 2021 and 2 December 2021 and the circular of the Company dated 12 November 2021 (the “**Circular**”) regarding, among other things, the disposal of the entire equity interest in Hong Kong Zhongzheng City Investment Limited involving share buy-back, application for whitewash waiver and special deal; (ii) the announcement of the Company dated 31 December 2021 in relation to the extension of the long stop date and (iii) the announcements of the Company dated 28 February 2022, 31 May 2022, 15 June 2022, 30 June 2022, 29 July 2022, 1 September 2022 and 30 September 2022 in respect of the extension of the Completion Date. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Circular.

As disclosed in the Circular, HK Huijin and/or Qianhai Zhongzheng and/or parties procured by Qianhai Zhongzheng (as the case may be) shall, on the Completion Date, make cash payment and payments in kind to GPI as follows:

- (i) payment of HK\$308,432,023 in cash by HK Huijin to GPI (“**Cash Consideration**”);
- (ii) the assignment by Qianhai Zhongzheng of the P-Note of RMB200,000,000 (equivalent to approximately HK\$240,336,000) to the Company (as nominee of GPI) for cancellation and set-off; and

- (iii) the transfer of the 1st Acquisition Consideration Shares by Goldstone and Zhongzheng Investment (as procured by Qianhai Zhongzheng) to the Company (as nominee of GPI).

Pursuant to the Disposal Agreement, HK Huijin has irrevocably and unconditionally guaranteed to GPI that, subject to Completion, the Company shall receive the repayment of the Disposal Group Loans within two months from the Completion Date. As at the date of this announcement, the outstanding principal amount of the Disposal Group Loans amounted to approximately HK\$139 million and the interest accrued and unpaid amounted to approximately HK\$28 million.

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 Completion Date has been extended to 30 November 2022 (or such other date as the parties to the Disposal Agreement may agree) by way of various supplemental agreements signed by the parties and extension letters issued by the Company.

During the course of extension of the Completion Date, HK Huijin has agreed twice to pay to GPI some non-refundable cash deposits in consideration for the Company agreeing to the extension. The first one was in the amount of HK\$24 million (the “**1st Non-refundable Deposit**”), which has been received. The second one was in the amount of HK\$15 million (the “**2nd Non-refundable Deposit**”), payable on or before 20 October 2022. It was agreed that upon Completion taken place, both the 1st Non-refundable Deposit and the 2nd Non-refundable Deposit will be used to set off part of the Cash Consideration on a dollar for dollar basis. However, as at the date of this announcement, GPI has yet to receive the 2nd Non-refundable Deposit.

In the circumstances and to mitigate the possible adverse impact on the Group arising from the prolonged extension of Completion Date, as at the date of this announcement, Qianhai Zhongzheng has already irrevocably and unconditionally agreed to (i) waive all its rights and claims against the Company under the P-Note and to deliver the P-Note to the Company for cancellation; and (ii) waive all its rights and claims against the Company for all the accrued interest (including default interest, if relevant) payable by the Company in relation to the P-Note (collectively, the “**Cancellation and the Waiver**”). The Company is in the course of retrieving the P-Note and will cancel the same in due course thereafter.

In view of the prolonged delay in Completion, upon negotiation among the parties, Qianhai Zhongzheng and HK Huijin also indicated that they are willing to procure Goldstone and Zhongzheng Investment to transfer the 1st Acquisition Consideration Shares to the Company for cancellation (the “**Possible Pre-Completion Share Cancellation**”) prior to the Completion Date, subject to the parties to the Disposal Agreement entering into a relevant supplemental agreement to such effect in due course. Such Possible Pre-Completion Share Cancellation if materialised will also subject to the

due compliance by the Company of the relevant rules and regulations under the Listing Rules and the Takeovers Code for the execution and consummation of the Possible Pre-Completion Share Cancellation, if applicable.

Since the date of the Disposal Agreement and up to the date of this announcement, the Company has not received any repayment of the Disposal Group Loans or any accrued and unpaid interests thereon. The Company will continue to monitor the status and inform the Shareholders if there are any updates on the repayment plan.

Shareholders should note that (i) if the Completion takes place, the Cancellation and Waiver, and the Possible Pre-Completion Share Cancellation (if materialise) should become part of the Consideration for the Disposal Agreement as set out in item (ii) and (iii) above. If the Completion does not take place, Qianhai Zhongzheng and HK Huijin shall not have any claims against the Company or GPI for the Cancellation and Waiver, or for the Possible Pre-Completion Share Cancellation (if materialise).

Save as disclosed above, all other terms and conditions of the Disposal Agreement (as amended and supplemented by the supplemental agreements and the extension letters) remain unchanged and in full force and effect in all respects.

**The Possible Pre-Completion Share Cancellation may or may not materialise. Shareholders and potential investors of the Company should therefore exercise caution when they deal or contemplate dealing in the securities of the Company.**

Further announcement(s) will be made by the Company regarding the Disposal as and when appropriate.

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

Hong Kong, 24 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.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*