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LEE & MAN CHEMICAL COMPANY LIMITED

理文化化工有限公司

(Incorporated in the Cayman Islands and its members' liability is limited)

Website: www.leemanchemical.com

(Stock Code: 746)

VOLUNTARY ANNOUNCEMENT

INVESTMENT AGREEMENT FOR DEVELOPMENT OF THE COMPANY'S CHEMICAL BUSINESS IN JIANGXI

This announcement is made by the Company on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

On 25 October 2021, L&M International, a wholly-owned subsidiary of the Company, entered into the Investment Agreement for development of the Company's chemical business in Ruichang city, Jiangxi province with the Ruichang City Government.

Pursuant to the Investment Agreement, L&M International proposes to invest in a project involving the manufacture of high-end fluoropolymers and other chemicals for use in lithium batteries. The proposed production scale of the project under the Investment Agreement includes an annual output of 20,000 tonnes of polyvinylidene fluoride (PVDF) and 10,000 tonnes of lithium hexafluorophosphate (LiPF₆), and the ancillary additional annual production output of 50,000 tonnes of hydrogen fluoride.

As part of the arrangements under the Investment Agreement, the Ruichang City Government agrees to grant L&M International land use rights to an area of around 500 mu (approximately 333,000 square meters) located in Ruichang Matou Industrial Park at an aggregate consideration of RMB50,000,000 (approximately HK\$60,000,000*) (subject to tendering) for a term of 50 years. The Ruichang City Government also agreed to assist L&M International in obtaining certain licenses and approvals and to support the development of this project by providing certain facilities to L&M International.

The applicable percentage ratios in relation to the transaction contemplated under the Investment Agreement are expected to be below 5% and it is therefore not subject to reporting or shareholders' approval requirements under the Listing Rules.

DEFINITIONS

The following defined terms are used in this announcement:

“Board”	board of directors of the Company;
“Company”	Lee & Man Chemical Company Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited;
“Group”	the Company together with its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Investment Agreement”	an investment agreement dated 25 October 2021 entered into between L&M International and Ruichang City Government;
“L&M International”	Lee & Man (International) Investment Limited, a company incorporated in Hong Kong and a wholly-owned indirect subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC; and
“Ruichang City Government”	the government of Ruichang city, Jiangxi province of the PRC.

By Order of the Board
Lee & Man Chemical Company Limited
Wai Siu Kee
Chairman

Hong Kong, 25 October 2021

As at the date of this announcement, the Board of the Company comprises four executive directors, namely, Ms. Wai Siu Kee, Mr. Lee Man Yan, Professor Chan Albert Sun Chi and Mr. Yang Zuo Ning, and three independent non-executive directors, namely Mr. Wong Kai Tung, Tony, Mr. Wan Chi Keung, Aaron and Mr. Heng Victor Ja Wei.

* *For the purposes of illustration only, the translations of RMB into HK\$ are made in this announcement at the rate of RMB1.00 to HK\$1.20. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at those rates or at any other rates.*