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China Zenith Chemical Group Limited

中國天化工集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 362)

POSITIVE PROFIT ALERT

This announcement is made by China Zenith Chemical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group for the six months ended 31 December 2022 (the “**Relevant Period**”) and the management’s estimate, the Group expected to record an increase in net profit for the Relevant Period by approximately HK\$268 million, which represented an increase of approximately 3,463% as compared to the six months ended 31 December 2021 (the “**Corresponding Period**”), to approximately HK\$275 million (net profit for the Corresponding Period: approximately HK\$7 million). The net profit attributable to owners of the Company for the Relevant Period was approximately HK\$274 million (net profit attributable to owners of the Company for the Corresponding Period: approximately HK\$6 million). The increase in net profit for the Relevant Period was mainly attributable to the gain on deconsolidation of Mudanjiang Better Day Power Limited (“**BD Power**”). BD Power is in the process of voluntary liquidation and after the completion of liquidation process, the Company can be carried out reversal of receivables in respect of the proceeds from liquidation of BD Power and recorded in the revenue of the Company.

The information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the management accounts of the Group, which have not been reviewed nor audited by the Company’s auditors. Details of the unaudited interim results of the Group for the six months ended 31 December 2022 are expected to be announced on 28 February 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Zenith Chemical Group Limited
Chan Yuk Foebe
Chairman and Chief Executive Officer

Hong Kong, 15 February 2023

As at the date of this announcement, Ms. Chan Yuk Foebe, Mr. Gao Ran and Mr. Law Tze Ping Eric are the executive Directors; Mr. Liu Yangyang is the non-executive Director; and Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit are the independent non-executive Directors.