

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

WINDING UP PETITION AND GRANT OF VALIDATION ORDER

This announcement is made by China Zenith Chemical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.25 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

WINDING UP PETITION

On 4 December 2013, Ms. Wang Yuexian (the “**Petitioner**”) subscribed for an eight-year bond (the “**Bond**”) with a face value of HK\$10,000,000 issued by the Company. Under the instruction of the Petitioner, the Company made a payment of HK\$5,800,000 to the designated account of the Petitioner and the Petitioner signed a deed of waiver (the “**Deed of Waiver**”) in favour of the Company and undertook to waive the payment of HK\$4,500,000 of the principal amount of the Bonds by the Company to the Petitioner on the maturity date (i.e. the Company would only be required to repay the principal amount of the Bonds of HK\$5,500,000 at the maturity date).

After maturity of the Bond, the Petitioner refused to acknowledge the Deed of Waiver and demanded the Company to pay HK\$13,200,000 (comprising of the principal amount of HK\$10,000,000 and all interest of HK\$3,200,000). In this regard, the Company and the Petitioner disagreed on the amount of payment, which resulted in the Petitioner commencing proceedings on 22 February 2022.

On 30 November 2022, besides filing a claim for HK\$13,200,000 on 22 February 2022 against the Company, the Petitioner filed for summary judgement proceedings in respect of the Bond of which the principal amount is HK\$5,500,000. On 13 April 2023, the Court ordered the Company to pay HK\$5,500,000 to the Petitioner by way of a summary judgement (the “**Summary Judgement**”). After taking the opinion from legal counsel on certain grounds, an appeal has been lodged by the Company. The appeal will be conducted by way of a rehearing. The result of the appeal is still pending.

Notwithstanding the pending retrial, on 8 June 2023 (and refiled on 3 July 2023), a winding up petition (the “**Petition**”) was filed by the Petitioner with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) for the winding-up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Companies (WUMP) Ordinance**”) under Companies Winding-up Proceedings No. 243 of 2023, in relation to the Statutory Demand.

The Petition was heard on 16 August 2023 and has been adjourned to 27 September 2023 for a further call over hearing.

At all material time, the Company sought advice from its legal advisers to determine the next steps and possible actions in respect of the Legal Proceedings, the Summary Judgement, the Appeal and the Petition, including proposed counterclaims against the Petitioners, to protect the interests of the Company and the shareholders of the Company (the “Shareholders”) as a whole.

EFFECT OF THE PETITION UNDER APPLICABLE LAWS AND REGULATIONS

Pursuant to section 182 of the Companies (WUMP) Ordinance, in a winding-up by the court, any disposal of property of the company (including things in action), and any transfer of shares, or alteration in the status of the members of the company, made after the commencement of the winding-up, shall, unless the court otherwise orders, be void.

GRANT OF VALIDATION ORDER

The Company announces that it has applied for and was granted a validation order by the Court on 22 August 2023 in respect of the Petition, ordering that notwithstanding the presentation of the Petition, all transfers of issued and fully paid up Shares since the date of the Petition’s presentation shall not be void by virtue of section 182 of the Companies (WUMP) Ordinance.

IMPACT OF THE PETITION TO THE COMPANY

As at the date of this announcement, to the best of the directors’ knowledge, information and belief, the Petition has had no material impact to the business operation and financial position of the Company and its subsidiaries.

The Company will make further announcement(s) to keep its shareholders and investors informed of any significant developments in relation to the Petition as and when appropriate.

Shareholders and potential investors should 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, 23 August 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.