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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)

COMPLETION OF PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the circular of China Zenith Chemical Group Limited (the “**Company**”) dated 3 January 2024 (the “**Circular**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and completion of the Placing took place on 2 February 2024. A total of 280,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at Placing Price of HK\$0.1 per Placing Share pursuant to the terms and conditions of the Placing Agreement, representing approximately 34.07% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately upon completion of the Placing.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, (i) each of the Placees and their respective ultimate beneficial owners (if any) is an Independent Third Party; and (ii) none of the Placees has become a substantial Shareholder (as defined under the Listing Rules) upon Completion.

The net proceeds from the Placing, after deduction of relevant related expenses (including but not limited to placing commission, legal expenses and disbursements), amounted to approximately HK\$26.6 million. The Company intends to use approximately HK\$22.4 million and approximately HK\$4.2 million of such net proceeds for repayment of the Group’s indebtedness and for replenishing the working capital of the Group, respectively.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and upon completion of the Placing is as follows:

Shareholders	Immediately before Completion		Immediately upon Completion and as at date of this announcement	
	Number of Shares held	Approximate %	Number of Shares held	Approximate %
Directors				
Mr. Tang Yiduan	142,850,000	26.36%	142,850,000	17.38%
Ms. Chan Yuk Foebe	143,000	0.03%	143,000	0.02%
Public Shareholders				
Placees (Note)	–	–	280,000,000	34.07%
Other public Shareholders	398,835,168	73.61%	398,835,168	48.53%
Total	<u>541,828,168</u>	<u>100.00%</u>	<u>821,828,168</u>	<u>100.00%</u>

Note: None of the Placees procured by the Placing Agent have become a substantial Shareholder (within the meaning of the Listing Rules) and the Placees have become public shareholders of the Company upon Completion.

By Order of the Board
China Zenith Chemical Group Limited
Law Tze Ping Eric
Acting Chief Executive Officer

Hong Kong, 2 February 2024

As at the date of this announcement, Mr. Law Tze Ping Eric, Mr. Tang Yiduan, Mr. Shing Pan Yu James and Ms. Chan Yuk Foebe (duties suspended) are the executive Directors; and Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit are the independent non-executive Directors.