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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 MAJOR TRANSACTION IN RELATION TO DISPOSAL OF LANDS

References are made to (i) the announcement of China Zenith Chemical Group Limited (the “**Company**”) dated 28 December 2020 and the circular (the “**Circular**”) of the Company dated 25 February 2021 in relation to, among other things, the Disposal; (ii) the announcement of the Company dated 19 January 2021 and 9 February 2021 in relation to the delay in despatch of circular; and (iii) the announcement of the Company dated 22 March 2021 in relation to, among other things, the poll results of the special general meeting of the Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE DISPOSAL

On 28 December 2020, HLCL, a company indirectly owned as to 90% by the Company, entered into an agreement (the “**Disposal Agreement**”) with Heihe Longhe Investment Management Limited* (黑河龍合投資管理有限責任公司) (Heihe border district state-owned assets), an independent third party, pursuant to which HLCL had agreed to transfer the land use rights of certain lands (the “**Lands**”) located in the PRC at an aggregate consideration of RMB156,440,000 (equivalent to approximately HK\$168,173,000), comprising RMB139,440,000 with Vitamin C project land compensation of RMB17,000,000 (the “**Land Disposal**”). The Vendor has transferred legal title of the land with an aggregate area of approximately 215,764.08 sq.m to the Purchaser and the settlement was completed on 19 June 2024.

The Board is pleased to announce that all the conditions precedent as set out under the Sale and Purchase Agreement have been fulfilled and the Completion took place on 19 June 2024 in accordance with the terms and conditions of the Sale and Purchase Agreement. Upon Completion, it is estimated that the Company will record a gain on disposal of lands of approximately RMB77,827,000 (equivalent to approximately HK\$83,664,000) for the year ending 30 June 2024 and the Company owns the remaining with an aggregate area of approximately 402,646.93 sq.m of the land. The actual gain or loss arising from the Land Disposal will be subject to audit and may be different from the amount stated.

The Company received the consideration from the Purchaser was used to repay the bank loan, staff salaries, pension liability, other payables and other tax.

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

Hong Kong, 5 July 2024

As at the date of this announcement, Mr. Law Tze Ping Eric, Mr. Tang Yiduan, Mr. Shing Pan Yu James and Mr. Chin Chun Hin 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.