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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)*

BUSINESS UPDATE TERMINATION OF POSSIBLE DISPOSAL OF A SUBSIDIARY

Reference is made to the announcement (the “**Announcement**”) of China Zenith Chemical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 November 2024, in relation to the possible disposal of a subsidiary. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement, unless the context requires otherwise.

TERMINATION OF POSSIBLE DISPOSAL OF A SUBSIDIARY

As at the date of this announcement, the Possible Disposal has not been completed and no agreement has been concluded in respect of the Possible Disposal. Having taken into account such policy support from the PRC government and banks which enables the said subsidiary to secure loans for working capital, the Company also takes note that the sales price of calcium carbide has started to stabilize recently. In the best interests of the shareholders of the Company, the Board hereby announces that it will not proceed with the disposal of the 90% equity interest in Heihe Longjiang Chemical Limited (the “**Termination of the Possible Disposal**”).

The Board believes that the Termination of the Possible Disposal has no material adverse impact on the Group’s existing business or financial positions.

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

Hong Kong, 7 February 2025

As at the date of this announcement, Mr. Law Tze Ping Eric, Mr. Tang Yiduan and Mr. Shing Pan Yu James are the executive Directors; Ms. Tsang Naomi and Dato’ Sri Lai Chai Suang are the non-executive Directors; and Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit are the independent non-executive Directors.