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## **China Zenith Chemical Group Limited**

**中國天化工集團有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 362)**

### **RESULTS OF THE OPEN OFFER AND THE BONUS ISSUE AND ADJUSTMENTS TO THE EXERCISE PRICES AND NUMBER OF SHARES TO BE ISSUED UPON EXERCISE OF THE EXISTING SHARE OPTIONS**

**Underwriter**



The Board is pleased to announce that at 4:00 p.m. on Friday, 25 November 2016, being the latest time for acceptance and payment for the Offer Shares, an aggregate of 23 valid acceptances had been received for an aggregate of 481,334,628 Offer Shares and (inclusive of the 104,457,407 Offer Shares taken up by Mr. Chan pursuant to his undertaking), representing approximately 66.97% of the total number of 718,724,879 Offer Shares offered under the Open Offer.

The Open Offer and the Bonus Issue became unconditional at 4:00 p.m. on Tuesday, 29 November 2016. Based on the above acceptance results, the Open Offer was under-subscribed by 237,390,251 Offer Shares.

Pursuant to the Underwriting Agreement, the Underwriter has fully underwritten the untaken 237,390,251 Offer Shares.

Bonus Shares will be issued by the Company on the basis of one Bonus Share for every Offer Share taken up under the Open Offer.

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms, together with the share certificates for the Bonus Shares, will be despatched to those relevant Shareholders' addresses (as shown on the register of members of the Company) by ordinary post at their own risk on or before Thursday, 1 December 2016.

Dealings in the Offer Shares and the Bonus Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 2 December 2016.

#### **ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF SHARES TO BE ISSUED UPON EXERCISE OF THE EXISTING SHARE OPTIONS**

Pursuant to the terms of the Share Option Scheme, the exercise price of the Share Options and the number of Shares to be allotted and issued upon full exercise of the subscription rights attaching to the 80,000,000 outstanding Share Options will be adjusted in the manner as disclosed herein.

Based on a letter from the Company's auditor, the Options Adjustments are in accordance with the requirement of Rule 17.03(13) of the Listing Rules and the Supplementary Guidance.

Reference is made to the prospectus of the Company dated 11 November 2016 (the "**Prospectus**"). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Prospectus.

#### **RESULTS OF THE OPEN OFFER AND THE BONUS ISSUE**

The Board is pleased to announce that at 4:00 p.m. on Friday, 25 November 2016, being the latest time for acceptance and payment for the Offer Shares, an aggregate of 23 valid acceptances had been received for an aggregate of 481,334,628 Offer Shares (inclusive of the 104,457,407 Offer Shares taken up by Mr. Chan pursuant to his undertaking), representing approximately 66.97% of the total number of 718,724,879 Offer Shares offered under the Open Offer. All applications made by the Qualifying Shareholders for the Offer Shares were accepted and allotted in full.

As all the conditions as set out in the Underwriting Agreement have been fulfilled, the Open Offer and the Bonus Issue became unconditional at 4:00 p.m. on Tuesday, 29 November 2016.

Bonus Shares will be issued by the Company on the basis of one Bonus Share for every Offer Share taken up under the Open Offer.

#### **UNDERWRITING ARRANGEMENT**

Based on the above acceptance results, the Open Offer was under-subscribed by 237,390,251 Offer Shares. The untaken Offer Shares represents approximately 33.03% of the total Offer Shares. Pursuant to the Underwriting Agreement, the Underwriter has fully underwritten the untaken 237,390,251 Offer Shares. Further details are set out in the paragraph headed "Change of Shareholdings in the Company Arising from the Open Offer and the Bonus Issue" in this announcement.

## DESPATCH OF SHARE CERTIFICATES AND COMMENCEMENT OF DEALINGS IN THE OFFER SHARES AND THE BONUS SHARES

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms, together with the share certificates for the Bonus Shares, will be despatched to those relevant Shareholders' addresses (as shown on the register of members of the Company) by ordinary post at their own risk on or before Thursday, 1 December 2016.

Dealings in the Offer Shares and the Bonus Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 2 December 2016.

## CHANGE OF SHAREHOLDINGS IN THE COMPANY ARISING FROM THE OPEN OFFER AND THE BONUS ISSUE

The shareholding structure of the Company immediately prior to and after the completion of the Open Offer and the Bonus Issue is shown as follows:

|  | Immediately prior to completion<br>of the Open Offer and<br>the Bonus Issue |                                     | Immediately after completion<br>of the Open Offer and<br>the Bonus Issue |                                     |
|--|---|-------------------------------------|--|-------------------------------------|
|  | <i>No. of Shares</i>  | <i>Approx % of<br/>shareholding</i> | <i>No. of Shares</i>   | <i>Approx % of<br/>shareholding</i> |
| Mr. Chan   | <u>417,829,629</u>  | <u>14.53</u>                        | <u>626,744,443</u>   | <u>14.53</u>                        |
|  | 417,829,629   | 14.53                               | 626,744,443  | 14.53                               |
| Underwriter or subscribers<br>procured by it <sup>(Note)</sup> | —   | —                                   | 474,780,502  | 11.01                               |
| Other Shareholders   | <u>2,457,069,890</u>  | <u>85.47</u>                        | <u>3,210,824,332</u>   | <u>74.46</u>                        |
| Total  | <u>2,874,899,519</u>  | <u>100.00</u>                       | <u>4,312,349,277</u>   | <u>100.00</u>                       |

*Note:* As confirmed by the Underwriter, none of the subscribers of the untaken Offer Shares has become a substantial Shareholder (as defined in the Listing Rules) as a result of such subscription and such subscriber, together with parties acting in concert with it, is not holding 10% or more of the issued share capital of the Company upon the allotment and issue of the Offer Shares.

## ADJUSTMENTS TO THE EXERCISE PRICES AND NUMBER OF SHARES TO BE ISSUED UPON EXERCISE OF THE EXISTING SHARE OPTIONS

Pursuant to the terms of the Share Option Scheme, adjustments are required to be made to the exercise price and/or the number of Shares to be allotted and issued upon exercise of the subscription rights attached to the Share Options as a result of the Open Offer and the Bonus Issue.

In accordance with the terms of the Share Option Scheme, and in compliance with the requirements set out in Rule 17.03(13) of the Listing Rules and the supplementary guidance set out by the Stock Exchange dated 5 September 2005 (the “**Supplementary Guidance**”), the exercise prices and the number of Shares to be issued upon exercise of the Share Options have been adjusted as follows:

| <b>Date of grant</b> | <b>Exercisable period</b> | <b>Before completion of the Open Offer and the Bonus Issue</b> |  | <b>Upon completion of the Open Offer and the Bonus Issue</b> |   |
|----------------------|---------------------------|--|--|--|---|
|                      |                           | <b>Exercise prices of Share Options (HK\$)</b>                 | <b>Number of Share Options outstanding</b> | <b>Adjusted exercise prices of Share Options (HK\$)</b>      | <b>Adjusted number of Share Options outstanding</b> |
| 10/3/2015            | 10/3/2015–9/3/2017        | 0.425  | 34,000,000                                 | 0.377  | 38,376,238  |
| 11/5/2015            | 11/5/2015–10/5/2018       | 1.05   | 46,000,000                                 | 0.93   | 51,920,792  |

The auditor of the Company, Elite Partners CPA Limited, has reviewed the above adjustments and has certified in writing that the adjustments have been made in accordance with the terms and conditions of the Share Options.

Save and except the aforesaid adjustments, there is no alteration to the rights of the holders of the Share Options.

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

Hong Kong, 30 November 2016

*As at the date hereof, Ms. Chan Yuk Foebe, Mr. Law Tze Ping Eric, Mr. Yu Defa are the executive Directors and Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho, Mr. Hau Chi Kit are the independent non-executive Directors.*