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## **China Zenith Chemical Group Limited**

### **中國天化工集團有限公司**

*(Incorporated in Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 362)**

#### **LAPSE OF PLACING AGREEMENT**

**Placing Agent**



**VC Brokerage Limited**

Reference is made to the announcement (the “**Announcement**”) of China Zenith Chemical Group Limited (the “**Company**”) dated 19 September 2018 in relation to, among other matters, the Placing. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

#### **LAPSE OF PLACING AGREEMENT**

The Board announces that the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to an aggregate of 220,000,000 new Shares to not less than six Places at a price of HK\$0.315 per Placing Share during the Placing Period has lapsed.

It was informed by the Placing Agent that due to the uncertainties of the financial market, the Placing has not been successful on or before 3 October 2018, being the expiry date of the Placing Period, and accordingly the Placing Agreement has lapsed and the Placing will not proceed.

Pursuant to the Placing Agreement, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties to the Placing Agreement shall have any claim against the other in relation to the Placing Agreement save for any antecedent breach of any obligations under the Placing Agreement and without prejudice to the accrued rights and liabilities of the parties to the Placing Agreement.

As disclosed in the Announcement, the net proceeds from the issue from the Placing were intended to be used for the repayment of bank loans and bonds payable. The Directors are of the view that the Company will continue to explore other options of financing activities to meet the fund required for the repayment of bank loans and bonds payable, and the lapse of the Placing Agreement has no material adverse impact on the existing business operation and financial position of the Group.

By Order of the Board of  
**China Zenith Chemical Group Limited**  
**Chan Yuk Foebe**  
*Chairman and Executive Director*

Hong Kong, 3 October 2018

*As at the date hereof, Ms. Chan Yuk Foebe, Mr. Law Tze Ping Eric and Mr. Yu Defa 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.*