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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)**

## **VOLUNTARY ANNOUNCEMENT UPDATES ON JOINTLY PRODUCING RAW MATERIALS OF ELECTROLYTE FOR LITHIUM BATTERIES OF ELECTRIC VEHICLES**

This announcement is made by China Zenith Chemical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company and potential investors with an update on the latest business development of the Group.

Reference is made to the announcement of the Company dated 23 December 2021 and 19 January 2022 in relation to the entering into of a letter of intent for project cooperation.

On 18 March 2022, the Company established Mudanjiang Longtuo Lithium battery New Material Co., Limited\* (牡丹江龍拓鋰電池新材料有限公司) (“**Longtuo Lithium battery**”). Upon completion of the capital contribution by Mudanjiang Xuri New Material Technology Co., Limited\* (牡丹江旭日新材料科技有限公司) (“**Mudanjiang Xuri**”), each holds 50% of equity interest in Longtuo Lithium battery, respectively. Longtuo Lithium battery is principally engaged in the production and sale of raw materials of electrolyte for lithium batteries of electric vehicles.

The Company has recently received indications of interest from several investors (the “**Investors**”) to participate in the project development program of Longtuo Lithium battery. The Investors are considering a cash contribution to Longtuo Lithium battery as investment and start-up funds in exchange for the issuance of a corresponding equity interest in Longtuo Lithium battery. The transaction may be dilutive to the Company’s interest in Longtuo Lithium battery.

\* For identification purposes only

As the Company will inject non-current assets such as the Group's land, plant and machinery into Longtuo Lithium battery, the sale or dilution of Longtuo Lithium battery's equity interest may result in a notifiable transaction for the Group.

The Group will make further disclosure as soon as possible if there is any update.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 18 July 2022

*As at the date of this announcement, Ms. Chan Yuk Foebe, Mr. Gao Ran and Mr. Law Tze Ping Eric are the executive Directors; Mr. Liu Yangyang is the non-executive Director; and Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit are the independent non-executive Directors.*