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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)

INSIDE INFORMATION ANNOUNCEMENT SUPPLEMENTAL ANNOUNCEMENT

This announcement is made by China Zenith Chemical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the inside information announcement (the “**Announcement**”) and the profit warning announcement (the “**Profit Warning**”) both dated 9 September 2022 of the Company. Capitalised terms in this announcement unless otherwise specified, shall have the same meanings as those set out in the Announcement.

The Company would inform its shareholders and potential investors that upon advice by its professional advisers, the Company ceased to have control over Mudanjiang BD Power as from the date of taking over of Mudanjiang BD Power by the Authority on 26 August 2022 (the “**Effective Date**”) until the Notice shall cease to take any effect.

Mudanjiang BD Power shall be deemed as deconsolidated (the “**Deconsolidation**”) from the financial statement of the Group and be classified as a discontinued operation as from the Effective Date, its financial statement shall not be accounted for the financial results of the Group for the year ending 30 June 2023. In view that the net liabilities of Mudanjiang BD Power are in the approximate sum of HK\$370 million as at 30 June 2022 (subject to the impairment of Mudanjiang BD Power as referred to in the Profit Warning), the Group would expect to have a net gain of HK\$370 million for the year ending 30 June 2023 as a result of the Deconsolidation.

The Company is liaising with the Authority relating to the Notice and the control and operation of Mudanjiang BD Power and shall make further announcements relating to this matter as and when required by the Listing Rules.

Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 14 September 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.