

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Zenith Chemical Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

- (1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF DIRECTORS;**
- (3) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
FOR THE SHARE OPTION SCHEME; AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Thursday, 7 December 2017 at 4:30 p.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

14 November 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Thursday, 7 December 2017 at 4:30 p.m. to consider and, if thought fit, approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors and the Proposed Refreshment
“Annual Report”	the annual report of the Company for the year ended 30 June 2017
“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time, and the “Article” shall mean an article of the Articles of Association
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	China Zenith Chemical Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued Shares as at the date of granting of the General Mandate
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 November 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Refreshment”	the Scheme Mandate Limit proposed to be refreshed by the Shareholders at the AGM
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued Shares as at the date of granting of the Repurchase Mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the existing Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme approved and adopted by the Company at the Shareholders’ meeting of the Company held on 20 December 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



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)

Executive Directors:

Ms. Chan Yuk Foebe

(Chairman and Chief Executive Officer)

Mr. Law Tze Ping Eric

Mr. Yu Defa

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Independent non-executive Directors:

Mr. Ma Wing Yun Bryan

Mr. Tam Ching Ho

Mr. Hau Chi Kit

*Head office and principal place of
business in Hong Kong:*

Room 4007, 40/F.

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

14 November 2017

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF DIRECTORS;**
- (3) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
FOR THE SHARE OPTION SCHEME; AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, the granting of the General Mandate and the Repurchase Mandate to the Directors, the refreshment of Scheme Mandate Limit and the re-election of Directors.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the granting of the General Mandate and the Repurchase Mandate, the re-election of Directors, the refreshment of Scheme Mandate Limit, and the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with, unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate nominal amount of up to 20% of the issued Shares as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 1,110,427,319 Shares in issue. Subject to the passing of the relevant resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 222,085,463 Shares.

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the issued Shares as at the date of granting of the Repurchase Mandate.

Subject to the passing of the relevant resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 111,042,731 Shares.

LETTER FROM THE BOARD

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

Pursuant to Article 108 of the Bye-Laws, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election.

In accordance with Article 108 of the Bye-Laws, each of Ms. Chan Yuk Foebe and Mr. Ma Wing Yun Bryan shall retire from office by rotation at the AGM, and being eligible, offer themselves for re-election.

At the AGM, ordinary resolutions will be proposed to re-elect Ms. Chan Yuk Foebe as executive Director and Mr. Ma Wing Yun Bryan, as independent non-executive Directors.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT FOR THE SHARE OPTION SCHEME

Background of the Scheme Mandate Limit

The Share Option Scheme was approved and adopted by the Shareholders at the Shareholders' meeting held on 20 December 2012. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

LETTER FROM THE BOARD

The purpose of the Share Option Scheme is to give incentives to the eligible participants as defined in the Share Option Scheme for their contribution to the Group. The subscription price for Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.

Share Option Scheme

Pursuant to the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted by the Company under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme. The Scheme Mandate limit may be refreshed by approval of the Shareholders in general meeting provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at such date of approval. Share options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

Pursuant to the Share Option Scheme the Directors were authorised to grant options to subscribe for up to a maximum number of 107,808,731 Shares, which represented 10% of the then total issued Shares at the date of approving the Share Option Scheme by the Shareholders. As at the Latest Practicable Date, 97,020,000 Share Options had been granted and only 10,788,731 Share Options are available for grants, representing approximately 1.0% of the total issued Shares as at the Latest Practicable Date. The Directors are of the view that in order to provide incentives and rewards to the eligible participants for their contribution or potential contribution to the Group by granting share options to them, the Scheme Mandate Limit shall be refreshed to provide the Company with greater flexibility on recruiting and retaining high calibre employees and attracting human resources that are valuable to the Group. The Directors further consider that the Proposed Refreshment is in the interest of the Group and Shareholders as a whole as it enables the Company to reward appropriately and motivate the eligible participants.

At the AGM, an ordinary resolution will be proposed to the Shareholders to approve the Proposed Refreshment so as to allow the Company to grant further Share Options under the Share Option Scheme for subscription of up to 10% of the Shares in issue as at the date of passing the resolution.

Proposed Refreshment

If the refreshment of the Scheme Mandate Limit is approved by the Shareholders at the AGM, based on 1,110,427,319 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued by the Company from the Latest Practicable Date up to and including the

LETTER FROM THE BOARD

date of the AGM, the Company will be allowed to grant further options under the Share Option Scheme for subscription of up to a total of 111,042,731 Shares, representing 10% of the Shares in issue as at the date of passing the resolution (i.e. the date of the AGM). Share options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other schemes of the Company) will not be counted for the purpose of calculating the Share Option Scheme Limit as “refreshed”. As at the Latest Practicable Date, apart from the Share Option Scheme, the Company had no other share option scheme currently in force.

As at the Latest Practicable Date, there were 64,680,000 outstanding share options under the Share Option Scheme since the adoption of the Share Option Scheme. Assuming that the options carrying the right to subscribe for 111,042,731 Shares were granted and fully exercised, the total number of Shares to be issued pursuant to the exercise of share options as at the Latest Practicable Date, represents approximately 10% of the total number of Shares in issue as at the Latest Practicable Date. Assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, such percentage falls below the 30% of the Shares in issue.

At the AGM, an ordinary resolution will be proposed to the Shareholders to approve the Proposed Refreshment so as to allow the Company to grant further options under the Share Option Scheme for subscription of up to a total of 111,042,731 Shares, representing 10% of the Shares in issue as at the date of passing the resolution.

Conditions of the Proposed Refreshment

The Proposed Refreshment is conditional upon:

- (a) the Shareholders passing the relevant resolution at the AGM to approve the Proposed Refreshment; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment not exceeding 10% of the number of Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the 111,042,731 Shares, which may be issued pursuant to the exercise of the options granted under the Proposed Refreshment.

LETTER FROM THE BOARD

A copy of the Share Option Scheme can be inspected at the principal place of business of the Company in Hong Kong at Room 4007, 40/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong during normal business hours from the date hereof up to the date of the EGM.

AGM

A notice convening the AGM to be held at Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Thursday, 7 December 2017 at 4:30 p.m. is set out on pages 15 to 19 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the re-election of Directors, and the Proposed Refreshment.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkex.com.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement in relation to the results of the AGM will be made by the Company thereafter.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the Proposed Refreshment and the proposed re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM. The Board confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

MISCELLANEOUS

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully
On behalf of the board of
China Zenith Chemical Group Limited
Chan Yuk Foebé
Chairman and Chief Executive Officer

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. Repurchase of securities from connected parties

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,110,427,319 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 111,042,731 fully paid Shares, representing approximately 10% of the issued Shares as at the date of passing of the resolution.

3. Reasons for the repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. Funding of repurchases

Repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the laws of Bermuda and the Bye-Laws and for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 30 June 2017, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date (after adjustment of the share consolidation) were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
November	0.312	0.280
December	0.292	0.264
2017		
January	0.280	0.248
February	0.332	0.248
March	0.356	0.296
April	0.296	0.272
May	0.315	0.284
June	0.330	0.280
July	0.360	0.260
August	0.360	0.335
September	0.425	0.330
October	0.485	0.370
November (up to the Latest Practicable Date)	0.475	0.560

6. Disclosure of interests and minimum public holding

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of Bermuda.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholder is interested in more than 10% of the Shares then in issue:

Name	Capacity	Number of Shares held (long position)	Approximate percentage of shareholding
Chan Yuen Tung	Beneficial owner	288,721,111	26.00%

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the shareholding percentage of the above Shareholder in the Shares would be increased to:

Name	Percentage holding
Chan Yuen Tung	28.89%

On the basis of 1,110,427,319 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares prior to the date of the AGM, if the Repurchase Mandate are exercised in full, the shareholding percentage (if the present shareholding remains the same) of Chan Yuen Tung would increase to approximately 28.89%. Such increase will not give rise to an obligation on the part of Chan Yuen Tung to make a general offer for all the Shares not already owned by him and agreed to be acquired by him under Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any other consequences which will give rise under the Takeovers Code as a result of the exercise of the power in full under the Repurchase Mandate.

At as the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

7. Shares repurchase made by the Company

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

Details of the Directors, who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

(1) Ms. Chan Yuk Foebe (“Ms. Chan”)

Ms. Chan Yuk Foebe, aged 48, is the chairman and chief executive officer of the Group and joined the Group in January 2004. Ms. Chan is responsible for the overall management and business development of the Group. Ms. Chan holds a bachelor’s degree in Accountancy from the Queensland University of Technology in Australia. Ms. Chan has more than 10 years’ experience in the areas of corporate finance and management. Ms. Chan is a non-executive director of Heng Tai Consumables Group Limited (Stock Code: 197), whose shares are listed on the main board of the Stock Exchange. Save as disclosed herein, Ms. Chan did not hold any other directorships in listed public companies in the last three years. Ms. Chan Yuk Foebe was appointed as the Chairman and a member of nomination committee with effect from 2 February 2012.

Ms. Chan has entered into a service contract with the Company commencing from 22 November 2004, which shall, subject to the re-appointment as a Director in accordance with the Articles of Association, continue until terminated by either party giving not less than three months’ notice in writing to the other. Ms. Chan is entitled to HK\$10,000 per month payable by the Group under the service contract. Ms. Chan’s emoluments is determined by the Board with reference to Ms. Chan’s experience, duties and responsibilities and the prevailing market practice, and in accordance with the remuneration policy adopted by the remuneration committee of the Company.

As at the Latest Practicable Date, Ms. Chan did not hold any Shares within the meaning of Part XV of the SFO. Save as being an executive Director, Ms. Chan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders in relation to the re-election of Ms. Chan and there is no information required to be disclosed pursuant to any of the requirements of Rules 13.51(2) (h) to (v) of the Listing Rules, nor is there any other matters that ought to be brought to the attention of the Shareholders.

(2) Mr. Ma Wing Yun Bryan (“Mr. Ma”)

Mr. Ma Wing Yun Bryan, aged 51, is an independent non-executive director and is also the chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Ma is the finance director of Union Sun International Group Limited, a non-listed company with affiliates dealing in property development in the PRC. He was an independent director of Celestial Nutrifooods Limited (the shares of which are listed on the main board of Singapore Exchange Securities Trade Limited) until 18 July 2011. He has approximately 20 years of experience in the areas of audit, financial management and operational management. Mr. Ma is an associate member of the Hong Kong Institute of Certified Public

Accountants. Mr. Ma was appointed as an independent non-executive director in February 2001. Save as disclosed herein, Mr. Ma did not hold any other directorships in listed companies in the last three years.

Mr. Ma has entered into a service contract for a term of two years with the Company commencing from 1 April 2017, which shall, subject to the re-appointment as a Director in accordance with the Articles of Association, continue until terminated by either party giving not less than one month's notice in writing to the other. Mr. Ma is entitled to HK\$15,000 per month payable by the Group under the service contract. Mr. Ma's emoluments is determined by the Board with reference to Mr. Ma's experience, duties and responsibilities and the prevailing market practice, and in accordance with the remuneration policy adopted by the remuneration committee of the Company.

As at the Latest Practicable Date, Mr. Ma does not hold any Shares within the meaning of Part XV of the SFO. Save as being an independent non-executive Director, Mr. Ma does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Ma and there is no information required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, nor is there any other matters that ought to be brought to the attention of the Shareholders.



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of China Zenith Chemical Group Limited (the “**Company**”) will be held at Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Thursday, 7 December 2017 at 4:30 p.m. to transact the following:

AS ORDINARY RESOLUTIONS:

1. To receive and approve the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and independent auditor of the Company for the year ended 30 June 2017;
2. (a) To re-elect Ms Chan Yuk Foebe as executive Director;
(b) To re-elect Mr. Ma Wing Yun Bryan as independent non-executive Director; and
(c) To authorise the board of Directors to fix the Directors’ remuneration;
3. To re-appoint Elite Partners CPA Limited as the auditor of the Company and to authorise the board of Directors to fix its remuneration;
4. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate nominal amount of the issued Shares as at the date of passing this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the issued Shares as at the date of passing resolution no. 6),and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earliest of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws, the Companies Act 1981 of Bermuda (the “**Companies Act**”) or any other applicable laws of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

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“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued Shares as at the date of passing this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of passing this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Act or any other applicable laws of the Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

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6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the additional shares of HK\$0.10 each in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 20 December 2012 (the “**Share Option Scheme**”), the refreshment of the limit in respect of the granting of options to subscribe for Shares under the Share Option Scheme be and is hereby approved, provided that:

- (a) the total number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution (the “**Refreshed Limit**”);
 - (b) options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme) will not be counted for the purpose of calculating the Refreshed Limit;
 - (c) the Directors be and are hereby unconditionally authorised to offer or grant options pursuant to the Share Option Scheme to subscribe for Shares up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares upon the exercise of such options; and
 - (d) such increase in the Refreshed Limit shall in no event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company exceed 30% of the Shares in issue from time to time.”
7. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 in respect of the Shares referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

Yours faithfully
On behalf of the board of
China Zenith Chemical Group Limited
Chan Yuk Foebe
Chairman and Chief Executive Officer

Hong Kong, 14 November 2017

NOTICE OF AGM

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place of
business in Hong Kong:*
Room 4007, 40/F.
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Notes:

1. As at the date hereof, the Board comprises Ms. Chan Yuk Foebe, Mr. Law Tze Ping Eric and Mr. Yu Defa as executive Directors and Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit as independent non-executive Directors.
2. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the offices of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of any share, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he/she were solely entitled to vote; but if more than one of such joint holders be present at the meeting in person or by proxy, then the one of such holders whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
5. For the purpose of determining shareholders' entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Wednesday, 6 December 2017 to Thursday, 7 December 2017 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch registrars, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 5 December 2017.