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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 with limited liability)

(Stock code: 362)

LAPSE OF FRAMEWORK AGREEMENT IN RESPECT OF THE POSSIBLE ACQUISITIONS AND LAPSE OF POSSIBLE DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER AND RESIGNATION OF EXECUTIVE DIRECTOR

LAPSE OF FRAMEWORK AGREEMENT

Reference is made to the announcement (the “**Announcement**”) of China Zenith Chemical Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) dated 14 May 2014 in relation to, among other matters, the Framework Agreement. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

The board (the “**Board**”) of directors (each a “**Director**”) of the Company announce that since the parties to the Framework Agreement were unable to reach an agreement on the terms of the Formal Agreement after negotiations in good faith during the Effective Period, the Framework Agreement lapsed on 19 December 2014. Pursuant to the Framework Agreement, all obligations and liabilities of the Company, GSI and CF under the Framework Agreement shall cease and determine and none of the parties hereto shall have any claim against the others.

The Directors consider that the lapse of the Framework Agreement does not have any material adverse impact on the financial position and operations of the Group.

LAPSE OF POSSIBLE DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER

The Board would also like to announce that the Company was notified by Mr. Chan Yuen Tung (“**Mr. Chan**”), a substantial shareholder of the Company, that on 19 December 2014 (after trading hours), the non-legally binding agreement (the “**Non-legally Binding Agreement**”) entered into between Mr. Chan and CF in relation to a possible transfer of 670,000,000 Shares as disclosed in the Announcement had lapsed. Mr. Chan and CF failed to enter into a formal agreement in respect of the Possible Transfer following signing of the Non-legally Binding Agreement which was not intended to create any legally binding commitment in relation to the Possible Transfer.

RESIGNATION OF EXECUTIVE DIRECTOR

The Board also announces that Ms. Wong Pak Ka Mary (“**Ms. Wong**”) has resigned from her office as an executive Director with effect from 19 December 2014 due to her other business commitments. As disclosed in the announcement of the Company dated 8 July 2014 regarding her appointment as an executive Director, Ms. Wong is the representative of Mr. Chen Feng who entered into the Framework Agreement with the Company. Ms. Wong was responsible for the possible restructuring of the business of the Group in connection with the Framework Agreement. Following the lapse of the Framework Agreement on 19 December 2014, Ms. Wong would like to devote her time to other business commitments.

Ms. Wong has confirmed that she has no disagreements with the Board and there is no matter that needs to be brought to the attention of the holders of securities of the Company or The Stock Exchange of Hong Kong Limited.

The Board wishes to express its appreciation for Ms. Wong’s contribution during her tenure of office.

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

Hong Kong, 19 December 2014

As at the date of this announcement, Ms. Chan Yuk Foebe, Mr. Chiau Che Kong 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.