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LEE & MAN CHEMICAL COMPANY LIMITED

理文化化工有限公司

(Incorporated in the Cayman Islands and its members' liability is limited)

Website: www.leemanchemical.com

(Stock Code: 746)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by Lee & Man Chemical Company Limited (the “**Company**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 11 September 2023, Lee & Man (International) Investment Limited (the “**Borrower**”), an indirect wholly-owned subsidiary of the Company, as borrower and the Company as guarantor signed a facility letter (“**Facility Letter**”) with Hang Seng Bank Limited (the “**Bank**”) as lender whereby the banking facilities of a term loan up to HK\$400 million (the “**Facility**”) would be made available by the Bank to the Borrower subject to the terms and conditions of the Facility Letter. The final repayment date of the Facility shall be the date falling 35 months after the first utilisation date. The purpose of the Facility is primarily to refinance the financial indebtedness, and for the general working capital requirements, of the Company and its subsidiaries.

As at the date of this announcement, Mr. Lee Man Yan (“**Mr. Lee**”) holds approximately 65% of the issued share capital of the Company and is the controlling shareholder of the Company under the Listing Rules.

Pursuant to the Facility Letter, the Borrower has undertaken to the Bank to ensure that Mr. Lee and his family shall hold (directly or indirectly) not less than 51% of the issued share capital and maintain control over management and business of the Company. A breach of the above undertaking will constitute an event of default, which will lead to the Bank being entitled not to make any further advances under the Facility Letter and to declare that all amounts outstanding under the Facility (including interests accrued) shall immediately become due and payable.

The Company will comply with the continuing disclosure requirements pursuant to Rule 13.21 of the Listing Rules for so long as circumstances giving rise to the above obligations continue to exist.

By the Order of the Board
Lee & Man Chemical Company Limited
Wai Siu Kee
Chairman

Hong Kong, 11 September 2023

As at the date of this announcement, the Board of the Company comprises four executive directors, namely, Ms. Wai Siu Kee, Mr. Lee Man Yan, Professor Chan Albert Sun Chi and Mr. Yang Zuo Ning and three independent non-executive directors, namely Mr. Wan Chi Keung, Aaron BBS JP, Mr. Heng Victor Ja Wei and Mr. Wong King Wai Kirk.