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XINYANG MAOJIAN GROUP LIMITED

信陽毛尖集團有限公司

(formerly known as 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

MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITION

This is a voluntary announcement made by Xinyang Maojian Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for keeping shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

THE MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors of the Company (the “**Directors**”) is pleased to announce that on 23 January 2020 (after trading hours), the Company entered into a memorandum of understanding (the “**MOU**”) with two vendors (the “**Vendors**”), pursuant to which the Company will acquire and the Vendors will sell the entire equity interest (the “**Possible Acquisition**”) of the target company (the “**Target Company**”).

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the People’s Republic of China (the “**PRC**”) with limited liability, with a registered capital of RMB500,000, which is wholly-owned by the Vendors. The Target Company is principally engaged in software and information technology services, in particular, cloud services, social e-commerce, artificial intelligence, community services, and digital transformation for enterprises in China.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendors are independent of and not connected with the Company and its connected persons (as defined in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)).

REASONS FOR ENTERING INTO THE MOU

The information technology industry (IT industry) had a rapid growth in the last decade. It is foreseeable that the IT industry is still the growth driver the economy in the nearest future. As the Target Company is principally engaged in software and information technology and has an excellent team experienced in information management and communication infrastructure development, the Board firmly believes that the Target Company may provide uncountable value to the Group.

The Board considers that the MOU is expected to bring long-term strategic value to the Group. The Group is committed to seeking new business opportunities and intends to acquire high quality businesses with good potential for expansion for the Group’s business in order to diversify the Group’s income stream and enhance Shareholders’ value. The Possible Acquisition, if materialised, will enable to Group to leverage on the Target Company’s background and expertise to further explore favourable businesses and new development opportunities in the area of software and information technology and would enable the Group to benefit from the competitive advantages of the Target Company. In view of the above, the Board considers that the MOU and the Possible Acquisition contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Board wishes to emphasise that the transactions contemplated under the MOU may or may not proceed and that the Company and the Vendors have not entered into a legally binding agreement in relation to the Possible Acquisition as at the date of this announcement. If the Possible Acquisition materialises, the Company will make further announcement as and when appropriate in accordance with the Listing Rules.

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
Xinyang Maojian Group Limited
Chan Yuk Foebe
Chairman and Chief Executive Officer

Hong Kong, 23 January 2020

As at the date of this announcement, Ms. Chan Yuk Foebe, Mr. Law Tze Ping Eric, Mr. Yu Defa and Mr. Chen Lei 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.