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## **XINYANG MAOJIAN GROUP LIMITED**

**信陽毛尖集團有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 362)**

### **VOLUNTARY ANNOUNCEMENT**

#### **BUSINESS DEVELOPMENT UPDATES**

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.

#### **DEVELOPMENT UPDATES IN MUDANJIANG**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinyang Maojian Group Limited is pleased to announce that Mudanjang Xusheng Limited\* (牡丹江旭昇有限公司) (“**Xusheng**”), a joint venture established by Xinyang Maojian Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) in July 2019, has successfully transformed the idle production equipment and machinery specialized for polyvinyl chloride (PVC) into production lines of two refined chemical products in almost two years. They are Permanent Violet RL (an annual production capacity of 500 tones) and BMAP (an annual production capacity of 500 tones). Environmental assessment and safety assessment permits have been obtained from the local government and such production lines are in the process of preparing for mass production later this year. It is expected that the production value of the two production lines will be RMB250 million.

**In addition, the Group has commissioned a qualified independent third party to conduct a feasibility research on the manufacturing of lithium battery for electric vehicle in our existing idle plant. The Group will further disclose any update on a timely manner.**

## DEVELOPMENT UPDATES IN HEIHE

With China's commitment to achieve **carbon neutrality**, the nation is actively promoting the use of clean energy. Therefore, the Company is seizing the opportunities of the utilization of **Russian-imported hydropower** in Heihe City, Heilongjiang Province and **the continuous rise in the prices of chemical raw materials recently**, and planning a phased relocation of the production lines of the Group's highly energy-consuming industries (including calcium carbide, polyvinylchloride and vinyl acetate) from the Mudanjiang plant to the plant of Heihe Longjiang Chemical Co., Ltd.\* (黑河龍江化工有限公司) ("**Heihe Longjiang**") for subsequent operation. The relocation of these production lines will not only capitalise on the relative competitive advantages of Heihe City, but also enable the existing idle equipment to achieve economic benefits.

Last but not least, reference is made to the Company's announcement dated 16 March 2021 in relation to the Joint Venture to be established by Heihe Longjiang and Shark Technology Co., Ltd.\* (鯊魚科技有限公司) ("**Shark Technology**"). Leveraging on the strengths of Heihe City, including (i) economic and environmentally-friendly power recourses; (ii) the advantage of an alpine climate; and (iii) the geographical advantage of neighboring Blagoveshchensk, the capital of Russian Far East, the Joint Venture will develop businesses related to cryptocurrency and big data etc. The Company and Shark Technology have entered the final stage of negotiation on the establishment of the Joint Venture. It is expected that the outstanding details are to be finalised shortly afterwards. Shark Technology is a tenant of Heihe Longjiang, and is primarily engaged in the assemble and sales of cryptocurrency computers and related hardware, as well as big data service.

**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, 10 May 2021

*As at the date of this announcement, Ms. Chan Yuk Foebe, Mr. Gao Ran, Mr. Law Tze Ping Eric 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.*

\* *For identification purposes only*