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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 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.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that Heihe Longjiang Chemical Co., Ltd. (“**Longjiang Chemical**”), a subsidiary of the Company, has officially commenced the production of calcium carbide in late June 2021. Longjiang Chemical commenced the production of calcium carbide No.1 furnace in late June 2021, and the production is currently stable with an annual production capacity of 50,000 tonnes of calcium carbide. According to the production plan, Longjiang Chemical will commence the production of calcium carbide No.2 furnace in August 2021. By then, the annual production capacity of calcium carbide will reach 100,000 tonnes, and based on the current market price of approximately RMB5,000 per tonne, Longjiang Chemical will be able to achieve sales in excess of RMB500 million, i.e., 2.5 times of the total revenue of the Group in 2021, and its profit margin will be at a record high based on current market conditions. The Board believes that the current situation is sustainable and is likely to become more optimistic.

Longjiang Chemical’s research, development, renovation and investment over the past few years have made its current production more efficient with lower energy consumption, which, together with the relatively cheap yet stable and environmental-friendly hydropower imported from Russia that totally accords with the **carbon neutrality** related policies the state vigorously promotes, will give the Company a more competitive advantage.

**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, 21 July 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.*