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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)

COOPERATION FRAMEWORK AGREEMENT

This announcement is made by Xinyang Maojian Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) to provide its shareholders and potential investors with updated information in relation to the latest business development of the Group.

COOPERATION FRAMEWORK AGREEMENT

The Board (the “**Board**”) of Directors (the “**Directors**”) of the Company is pleased to announce that, on 20 January 2019, the Company entered into a cooperation framework agreement with Xinyang Maojian Investment Development Company Limited* (信陽毛尖投資發展有限公司) (“**Xinyang Investment**”). It was agreed that a cooperative partnership would be established, collaborating in areas such as the economic development of Xinyang via the capital market (the “**Framework Agreement**”).

Pursuant to the Framework Agreement, from 20 January 2019 to 17 January 2022, the Company and Xinyang Investment intend to cooperate as follows: (1) Xinyang Investment will enter the capital market in Hong Kong, and intends to become a strategic shareholder of the Company by way of holding shares of the Company through various channels; (2) both parties will coordinate and negotiate with the Xinyang local government (the “**Local Government**”) concerning the procedures of the land, planning and construction of Xinyang International Tea City* (信陽國際茶城), so as to ultimately legally merge and acquire Xinyang International Tea City into the Company; and (3) Xinyang Investment and the Local Government will promote relevant tea-trading and well-known tea companies, which have become mature, to actively cooperate with the Company.

INFORMATION ON XINYANG INVESTMENT

Xinyang Investment was a company incorporated in Xinyang City, the People's Republic of China, with limited liability, with a registered capital of RMB2,000,000,000, which is wholly-owned by the Xinyang City Finance Bureau (信陽市財政局) of the People's Republic of China. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of Xinyang Investment and its ultimate beneficial owner(s) is an independent third party of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

REASONS FOR THE FRAMEWORK AGREEMENT

The Board considers that the entering into of the Framework Agreement would enable both parties to leverage on their respective strengths, resources and know-how to build a stable and mutually-beneficial strategic relationship for the development of tea industry related projects. In addition, the cooperation contemplated under the Framework Agreement has been entered into in the usual course of business of the Company, and the terms of the Framework Agreement are on normal commercial terms which are fair and reasonable. Therefore, it is in the interest of the Company and its shareholders as a whole.

The Framework Agreement merely provides a strategic cooperation framework for the Company and Xinyang Investment. The terms of the cooperation contemplated under the Framework Agreement are subject to the terms of any definitive agreement which the Company and Xinyang Investment may subsequently enter into from time to time. As at the date of this announcement, the Company and Xinyang Investment have not entered into any legally binding agreement in relation to any specific cooperation projects. If any transaction contemplated under the Framework Agreement constitutes a notifiable transaction for the Company, further announcement will be made by the Company as and when appropriate in compliance with the Listing Rules.

By order of the Board
XINYANG MAOJIAN GROUP LIMITED
Chan Yuk Foebé
Chairman and Chief Executive Officer

Hong Kong, 22 January 2019

As at the date of this announcement, the executive Directors are Ms. Chan Yuk Foebé, Mr. Law Tze Ping Eric and Mr. Yu Defa and the independent non-executive Directors are Mr. Ma Wing Yun Bryan, Mr. Tam Ching Ho and Mr. Hau Chi Kit.

* *For identification only*