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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)

INSIDE INFORMATION — DISPOSAL OF SHARES BY THE SINGLE LARGEST SHAREHOLDER AND CHANGE IN SHAREHOLDING STRUCTURE OF THE SUBSTANTIAL SHAREHOLDER

This announcement is made by the board of directors (the “**Board**”) of Xinyang Maojian Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

The Company was informed by Mr. Chan Yuen Tung (“**Mr. Chan**”), the single largest shareholder of the Company and Mr. Sha Tao (“**Mr. Sha**”), the second single largest shareholder of the Company that on 16 April 2019 Mr. Chan as vendor and Mr. Sha as purchaser entered into a conditional sale and purchase agreement (the “**SPA**”) pursuant to which Mr. Chan agreed to sell and Mr. Sha agreed to purchase 146,000,000 shares in the Company (“**Shares**”), representing approximately 10.97% of the total issued share capital of the Company as at the date of this announcement at a price of HK\$0.915 per share (the “**Disposal**”). The Company was further informed that the closing of the SPA is conditional upon fulfillment of certain conditions precedent on or before 15 December 2019 (or such other date agreed by the parties to the SPA), including in particular, the entering into of a placing agreement by Mr. Chan to appoint a securities broker licensed to carry out Type 1 (dealing in securities) activities under the SFO as placing agent to place on a fully underwritten basis to places independent of and not parties acting in concert with Mr. Sha the remaining 200,479,861 Shares held by Mr. Chan (the “**Placing**”) other than the Shares to be disposed of under the SPA. Pursuant to the SPA completion of the Disposal and the Placing shall take place simultaneously.

Immediately upon completion of the Disposal and the Placing, Mr. Chan will not hold any Shares and will cease to be the single largest shareholder of the Company, and Mr. Sha will hold 366,000,000 Shares, representing approximately 27.51% of the issued share capital of the Company and becomes the single largest shareholder of the Company. Details of the change in the shareholding interests of the Company held by Mr. Chan and Mr. Sha as a result of the Disposal and the Placing are set out as follows:

	Before the Disposal and Placing		After the Disposal and Placing	
	Number of Shares	Approximate shareholding %	Number of Shares	Approximate shareholding %
Mr. Chan	346,479,861	26.04%	—	—
Mr. Sha	220,000,000	16.54%	366,000,000	27.51%

As completion of the Disposal is subject to the fulfilment of the conditions precedent set out in the SPA, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Chan Yuk Foebe
Chairman and Chief Executive Officer

Hong Kong, 16 April 2019

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