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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)

PROFIT WARNING

This announcement is made by Xinyang Maojian Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) 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 Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform its shareholders and potential investors that the unaudited annual results of the Group (the “**Annual Results**”) for the year ended 30 June 2019 (the “**Reporting Period**”) is expected to record a material increase in net loss as compared to the corresponding period in 2018 (the “**Expected Increase in Net Loss**”).

As the Company is still in the process of finalizing its audited Annual Results, the information contained in this announcement is only based on a preliminary assessment of the information available to the management of the Company, which have not been reviewed by the Company’s auditors.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

The Board wishes to inform its shareholders and potential investors that the unaudited Annual Results is expected to record the Expected Increase in Net Loss. Having considered the market condition and the Group's current situation, the Board is not optimistic to resume the Group's idle production line in Mudanjiang for the foreseeable future. Therefore, the Group has decided to provide a **one-off impairment** on the property, plant and equipment of the Polyvinyl-Chloride segment, Vinyl Acetate segment and Calcium Carbide segment, respectively. Apart from this one-off impairment, the Group's other businesses are running as usual.

As the Company is still in the process of finalizing its audited Annual Results, the information contained in this announcement is only based on a preliminary assessment of the information available to the management of the Company, which have not been reviewed by the Company's auditors.

The Annual Results announcement of the Company for the Reporting Period is expected to be published in late September 2019. Shareholders and potential investors are advised to read the Annual Results announcement carefully.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Xinyang Maojian Group Limited
Chan Yuk Foebe
Chairman and Chief Executive Officer

Hong Kong, 19 September 2019

As at the date hereof, 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.