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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)

PROPOSED CHANGE OF COMPANY NAME

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The board (the “**Board**”) of directors (the “**Directors**”) of Xinyang Maojian Group Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) proposes to change the English name of the Company from “Xinyang Maojian Group Limited” to “China Zenith Chemical Group Limited” and to adopt “中國天化工集團有限公司” as the Chinese secondary name of the Company to replace its existing name of “信陽毛尖集團有限公司” (the “**Proposed Change of Company Name**”).

CONDITIONS FOR THE PROPOSED CHANGE OF COMPANY NAME

The Proposed Change of Company Name is subject to the following conditions:

- (i) the passing of a special resolution by the shareholders of the Company (the “**Shareholders**”) at a special general meeting of the Company (“**SGM**”) to approve, among others, the Proposed Change of Company Name; and
- (ii) the Registrar of Companies in Bermuda approving the Proposed Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Proposed Change of Company Name will take effect from the date of entry of the new English name and the Chinese secondary name of the Company on the register maintained by the Registrar of Companies in Bermuda. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

REASONS FOR THE PROPOSED CHANGE OF COMPANY NAME

Over the past decade, the Central Government has cancelled preferential policies for electricity price across regions in Northern China in a successive manner, with the exception of Inner Mongolia, where such policies have not been cancelled due to geographical and other reasons. Therefore, leveraging on the advantage of low electricity costs, coal chemical industry in the Inner Mongolia region aggressively took over market shares of the coal chemical industry in Northern China and Northeastern China with unreasonable cheap prices, which indirectly resulted in the closure of many coal chemical production lines in Northern China. However, with intensified policies of the Central Government for reducing energy consumption and emission, as well as the pledge to achieve net-zero carbon, preferential policies for electricity price in Inner Mongolia were cancelled as well. Rectification measures were also taken, enabling healthy development of the coal chemical industry. The measure results in a structural price increase of coal chemical products in the long run. The Company will capture the recent opportunities of increasing prices of chemical raw materials and utilise the advantages of imported hydroelectricity from Russia to focus on the development production lines along the coal chemical industry chain (including calcium carbide, polyvinyl chloride, vinyl acetate, etc.) in Heihe City.

Further, the refined production lines in Mudanjiang city have reached a mature stage and is currently under the procedure for formal production, with the official production expected to commence in August. The Company is considering using other idle land and equipment to expand its product range and production capacity in order to achieve maximum production efficiency.

In the future, the Company will leverage its strengths to re-focus on its chemical business.

The Board considers that the Proposed Change of Company Name will better reflect the current status of the Group's business development and its direction of future development. The Board believes that the new name can provide the Company with a more appropriate corporate image and identity which will benefit the Company's business development and is in the best interests of the Company and Shareholders as a whole.

EFFECTS OF PROPOSED CHANGE OF COMPANY NAME

The Proposed Change of Company Name will not, of itself, affect any rights of the Shareholders of the Company or the Company's daily business operation and its financial position.

All existing certificates of securities in issue bearing the present name of the Company shall, after the Proposed Change of Company Name becoming effective, continue to be evidence of legal title to such securities and the existing share certificates will continue to be valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for exchange of the existing share certificates for new share certificates bearing the new name of the Company. Once the Proposed Change of Company Name becomes effective, new share certificates will be issued only in the new name of the Company.

GENERAL

A circular containing, among other matters, details of the Proposed Change of Company Name together with a notice of the SGM and the related proxy form will be despatched to the Shareholders as soon as practicable. The Company will make further announcement(s) on the results of the SGM, the effective date(s) of the Proposed Change of Company Name, the new website of the Company and the new stock short names of the Company for trading of the shares of the Company on The Stock Exchange of Hong Kong Limited as and when available.

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

Hong Kong, 5 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.