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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary review of the management accounts of the Group for the six months ended 31 December 2021 and the management's estimate, the Group is expected to record a significant improvement in the unaudited consolidated net profit for the six months ended 31 December 2021 as compared to the unaudited consolidated net loss for the previous corresponding period in 2020. The Group will record a positive net profit attributable to equity holders for the six months ended 31 December 2021.

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

This announcement is made by Xinyang Maojian Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that based on the preliminary review of the management accounts of the Group for the six months ended 31 December 2021 and the management's estimate, the Group is expected to record a significant improvement in the unaudited consolidated net profit for the six months ended 31 December 2021 as compared

to the unaudited consolidated net loss for the previous corresponding period in 2020. The Group will record a positive net profit attributable to equity holders for the six months ended 31 December 2021. Such turnaround mainly resulted from (i) the profit contribution from resume of production of Heihe Longjiang Chemical Group Limited (“**Heihe Longjiang**”) to the Group; and (ii) the gain on forfeiture of the payment for the disposal of 40% equity interests in a subsidiary.

The production of Heihe Longjiang has been suspended since early 2019. Until early 2021, there was a structural change in the calcium carbide market, while the introduction of automation in the production processes and better formulation in the use of raw materials have minimised wastage and enhanced efficiency for Heihe Longjiang’s production. It has officially resumed production since mid-2021 and started to contribute to the Group’s profit.

The information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the management accounts of the Group, which have not been reviewed nor audited by the Company’s auditors. Details of the unaudited interim results of the Group for the six months ended 31 December 2021 are expected to be announced on 18 February 2022.

Shareholders and potential investors 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, 11 January 2022

As at the date of this announcement, Ms. Chan Yuk Foebe, Mr. Gao Ran and Mr. Law Tze Ping Eric 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.