

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT UPDATES ON JOINTLY PRODUCING RAW MATERIALS OF ELECTROLYTE FOR LITHIUM BATTERIES OF ELECTRIC VEHICLES

This announcement is made by Xinyang Maojian Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company and potential investors with an update on the latest business development of the Group.

Reference is made to the announcement of the Company dated 23 December 2021 (the “**Announcement**”) in relation to the entering into of a letter of intent for project cooperation.

The Company and Mudanjiang Xuri New Material Technology Co., Limited* (牡丹江旭日新材料科技有限公司) (“**Mudanjiang Xuri**”) intend to jointly establish Longtuo Lithium batteries New Material Co., Limited* (龍拓鋰電池新材料有限公司) (“**Longtuo Lithium batteries**”), each holds 50% of equity interest in Longtuo Lithium batteries, respectively. Longtuo Lithium batteries is principally engaged in the production and sale of raw materials of electrolyte for lithium batteries of electric vehicles.

The Company has received the latest report on the preliminary work for the project from Mudanjiang Xuri New Material Technology Co., Limited* (牡丹江旭日新材料科技有限公司) (“**Mudanjiang Xuri**”), which states that Mudanjiang Xuri has engaged Hebei Lekai Chemical Engineering and Design Co. Limited* (河北樂凱化工工程設計有限公司) to complete a project feasibility study on the production of ethylene sulfate, perfluoro-tert-butanol and 1,3-cyclohexanedione, the current landscape, development trend of and product price in the fine chemical industry and the equipment required for the production.

* For identification purposes only

The total investment of the project is expected to be RMB200 million, with an annual production capacity of 6,600 tonnes of ethylene sulfate, perfluoro-tert-butanol and 1,3-cyclohexanedione, the product serves as key raw materials of **electrolyte for lithium batteries of electric vehicles**, while annual sales revenue and annual profit are expected to reach RMB3.06 billion and RMB240 million respectively.

Mudanjiang Xuri commits to the Joint Venture unconditionally that the production patents will be granted for a period of ten years, after that the patents fees will be subject to another round of negotiations.

The Group will make further disclosure as soon as possible if there is any update.

Shareholders and potential investors of the Company 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, 19 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.