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上海大生農業金融科技股份有限公司

Shanghai Dasheng Agriculture Finance Technology Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1103)

**DISCLOSEABLE TRANSACTION —
INCREASE OF REGISTERED CAPITAL
AND
DEEMED ACQUISITION OF EQUITY INTERESTS OF
NANTONG ROAD AND BRIDGE ENGINEERING CO., LTD.***

CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 26 August 2016 (after trading hours of the Stock Exchange), the Company, entered into the Capital Injection Agreement with Nantong and the Minority Shareholders, pursuant to which the Company will inject a total of RMB300,000,000 (equivalent to approximately HK\$360,000,000), of which RMB128,605,700 (equivalent to approximately HK\$154,326,840) being the increase of registered capital and RMB171,394,300 (equivalent to approximately HK\$205,673,160) being the premium for injection of capital in Nantong.

After the Capital Injection, the total registered capital of Nantong will be increased from RMB300,080,000 (equivalent to approximately HK\$360,096,000) to RMB428,685,700 (equivalent to approximately HK\$514,422,840), approximately 82.41%, including the original holding of 74.87% of Nantong will be owned by the Company. The capital commitment under the Capital Injection Agreement will be financed by internal resources of the Group and/or external borrowing.

MEMORANDUM OF ACQUISITION

The Board further announces that on 26 August 2016 (after trading hours of the Stock Exchange), the Company, entered into the Memorandum of Acquisition with the Vendors, pursuant to which the Company will assist the Vendors to identify potential third parties to purchase the Sale Interests in Nantong on or before 15 October 2016. If the Company cannot secure third party to purchase all Sale Interest held by the Vendors on or before the said period, the Company agrees to purchase the Sale Interest from the Vendors at the respective considerations as set out in the Memorandum of Acquisition.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio for the transactions contemplated under the Capital Injection Agreement is above 5% but less than 25%, the Capital Injection Agreement constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules. However, the entering into of the Capital Injection Agreement does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules because Nantong is not a connected subsidiary (as defined under the Listing Rules) of the Company.

Although the applicable percentage ratios under Rule 14.07 of the Listing Rules for the total consideration for the Memorandum of Acquisition is less than 5%, in order to provide a full and frank disclosure, the Company has aggregated the percentage ratios under Rule 14.07 of the Listing Rules in relation to both the Capital Injection Agreement and the Memorandum of Acquisition. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, this announcement is made on the basis that the entering into of the Capital Injection Agreement and the Memorandum of Acquisition in aggregate constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements, but is exempted from the requirement of shareholders' approval, pursuant to Chapter 14 of Listing Rules.

CAPITAL INJECTION AGREEMENT

Date

26 August 2016 (after trading hours of the Stock Exchange)

Parties

- (i) Company;
- (ii) Nantong; and
- (iii) Minority Shareholders

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save and except they are shareholders of Nantong, each of the Minority Shareholders is Independent Third Party.

Registered capital and Shareholding in Nantong

Pursuant to the Capital Injection Agreement, the Company will invest a total RMB300,000,000 (equivalent to approximately HK\$360,000,000), of which RMB128,605,700 (equivalent to approximately HK\$154,326,840) being the increase of registered capital and RMB171,394,300 (equivalent to approximately HK\$205,673,160) being the premium for the injection of capital in Nantong.

After the Capital Injection, the total registered capital of Nantong will be increased from RMB300,080,000 (equivalent to approximately HK\$360,096,000) to RMB428,685,700 (equivalent to approximately HK\$514,422,840), approximately 82.41%, including the original holding of 74.87%, of Nantong will be owned by the Company.

Pursuant to the Capital Injection Agreement, the Company shall pay RMB300,000,000 (equivalent to approximately HK\$360,000,000), being the total amount of capital injection in Nantong, before 15 September 2016.

The amount of capital contribution under the Capital Injection Agreement was determined after arm's length negotiation among the parties thereto with reference to the capital requirement of Nantong.

The capital commitment of the Company under the Capital Injection Agreement will be financed by internal resources of the Group and/or external borrowing.

MEMORANDUM OF ACQUISITION

Date

26 August 2016 (after trading hours of the Stock Exchange)

Parties

- (i) Company; and
- (ii) the Vendors

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save and except they are shareholders of Nantong, each of the Vendors is Independent Third Party.

Pursuant to the Memorandum of Acquisition, the Company agrees to assist the Vendors to identify potential purchaser(s) to purchase the Sale Interest in Nantong on or before 15 October 2016 at the considerations set out as follows:

	Registered capital paid <i>(RMB)</i>	Amount of registered capital intended to sell ("Sale Interest") <i>(RMB)</i>	Consideration of the Sale Interest <i>(RMB)</i>
Shareholder A	12,744,706	12,744,706	29,729,719
Shareholder B	10,736,374	10,736,374	25,044,861
Shareholder C	11,990,606	11,990,606	27,970,622
Shareholder D	1,543,576	771,788	1,800,359
Shareholder E	1,740,572	1,740,572	4,060,252
Shareholder F	547,806	147,806	344,789
Total	39,303,640	38,131,852	88,950,602

If the Company cannot secure third party to purchase all the Sale Interest held by the Vendors within the said period, the Company agrees to purchase all Sale Interest at the considerations set out above from the Vendors. The considerations was determined after arm's length negotiation among the parties thereto with reference to price-earnings ratio of Nantong.

If at the expiry of 15 October 2016, the Company cannot secure any third party to purchase the Sale Interest from the Vendors, the Company will have to purchase the Sale Interest at the aggregate consideration of RMB88,950,602 and the equity interests in Nantong held by the Company, after the Capital Injection and the completion of the Memorandum of Acquisition, assuming the Company will acquire all the Sale Interest, will be approximately 91.30%.

INFORMATION OF NANTONG

Nantong is a limited liability company established in PRC and is principally engaged in the construction of highways and bridges business in PRC. It holds a “Main Contractor for Road Construction - First Grade” qualification in PRC, which enables Nantong to undertake a variety of road and bridge construction projects in PRC.

The unaudited financial information of Nantong for the two financial years ended 31 December 2015 is summarized as follows (for illustration purposes only):

	For the year ended 31 December 2014	For the year ended 31 December 2015
	<i>(RMB '000)</i>	<i>(RMB '000)</i>
	(unaudited)	(unaudited)
Profit before taxation	175,356	187,450
Profit after taxation	128,313	143,445
Net assets	519,049	652,057

INFORMATION OF THE MINORITY SHAREHOLDERS INCLUDING THE VENDORS

As informed by each of the Minority Shareholders, each of them is the citizen of PRC and businessperson.

REASONS FOR AND BENEFITS OF CAPITAL INJECTION AND POTENTIAL ACQUISITION

The Group is principally engaged in trading of petrochemical products, road and bridge construction business and provision of agricultural financial services business.

The Board, to its best knowledge, is optimistic about the future development and prospect of road and bridges construction business, and is of the view that the Capital Injection and Potential Acquisition enable the Group to consolidate its control in its road and bridge construction business and achieve good returns from its growing business in future. The Capital Injection and Potential Acquisition are also in line with the long term development strategy of the Group.

Taking into consideration of the aforesaid, the Board considers that the terms of the Capital Injection and Memorandum of Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole and have been negotiated on an arm's length basis and on normal commercial terms.

After completion of the Capital Injection and the Potential Acquisition, Nantong will continue to be a subsidiary of the Company.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio for the transactions contemplated under the Capital Injection Agreement is above 5% but less than 25%, the Capital Injection Agreement constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

However, the entering into of the Capital Injection Agreement does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules because Nantong is not a connected subsidiary (as defined under the Listing Rules) of the Company.

Although the applicable percentage ratios under Rule 14.07 of the Listing Rules for the total consideration for the Memorandum of Acquisition is less than 5%, in order to provide a full and frank disclosure, the Company has aggregated the percentage ratios under Rule 14.07 of the Listing Rules in relation to both the Capital Injection Agreement and the Memorandum of Acquisition. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, this announcement is made on the basis that the entering into of the Capital Injection Agreement and the Memorandum of Acquisition in aggregate constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements, but is exempted from the requirement of shareholders' approval, pursuant to Chapter 14 of Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Board”	the board of Directors
“Capital Injection”	capital injection by the Company of RMB300,000,000 (equivalent to approximately HK\$360,000,000), which comprise of RMB128,605,700 (equivalent to approximately HK\$154,326,840) being the injection of registered capital and RMB171,139,430 (equivalent to approximately HK\$205,673,160) being the premium for injection of capital in Nantong
“Capital Injection Agreement”	the capital injection agreement dated 26 August 2016 entered into between the Company, Nantong and the Minority Shareholders in relation to the Capital Injection in Nantong by the Company
“Company”	Shanghai Dasheng Agriculture Finance Technology Co., Ltd. (上海大生農業金融科技股份有限公司), a joint stock company established in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary domestic share(s) of the Company with a nominal value of RMB0.10 each in the share capital of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) with a nominal value of RMB0.10 each in the share capital of the Company which are listed on the Stock Exchange and are traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Acquisition”	the binding memorandum dated 26 August 2016 entered into between the Company and the Vendors in relation to the arrangement of acquisition of their respective interest in Nantong
“Minority Shareholders”	the other shareholders of Nantong excluding the Company, each does not hold more than 10% of interest in Nantong, as at the date of this announcement, and each of them referred as to “Minority Shareholder”
“Nantong”	南通路橋工程有限公司 (Nantong Road and Bridge Engineering Co., Ltd.*), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company
“Potential Acquisition”	potential acquisition of the Sale Interest of the Vendors by the Company contemplated under the Memorandum of Acquisition
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Sale Interest”	12.71% of interest of Nantong, as at the date of this announcement, held by the Vendors
“Share(s)”	collectively, the Domestic Shares and H Shares
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendors”	six individual shareholders of Nantong each does not hold more than 10% interest in Nantong, as at the date of this announcement, and each of them referred as to “Vendor”
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

** Unofficial transliteration from Chinese name for identification purposes only.*

By Order of the Board
Shanghai Dasheng Agriculture Finance Technology Co., Ltd.
Lan Huasheng
Chairman

Shanghai, PRC, 26 August 2016

As at the date of this announcement, the Board comprises three executive directors: Mr. Lan Huasheng, Mr. Mo Luojiang and Mr. Wang Liguu; one non-executive director: Mr. Zhu Tianxiang; and three independent non-executive directors: Mr. Chung Cheuk Ming, Mr. Yang Gaoyu and Mr. Zhou Jianhao.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.20 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.