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**COFCO (HONG KONG) LIMITED**

**中糧集團(香港)有限公司**

*(Incorporated in Hong Kong with limited liability)*



**CHINA AGRI-INDUSTRIES HOLDINGS LIMITED**

**中國糧油控股有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 606)**

## **JOINT ANNOUNCEMENT**

- (1) PROPOSAL FOR THE PRIVATISATION OF  
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED  
BY COFCO (HONG KONG) LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 673 OF THE COMPANIES ORDINANCE)**
- (2) PROPOSED WITHDRAWAL OF LISTING OF  
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED**
- (3) BOOK CLOSURE, DIVIDEND RECORD DATE AND  
PAYMENT DATE FOR THE FURTHER INTERIM DIVIDEND**
- (4) DESPATCH OF SCHEME DOCUMENT  
AND OPTION OFFER LETTER**

**Financial Adviser to COFCO (HONG KONG) LIMITED**



**Independent Financial Adviser to the Independent Board Committee**



**SOMERLEY CAPITAL LIMITED**

## **INTRODUCTION**

Reference is made to (i) the joint announcement issued by China Agri-Industries Holdings Limited (the “**Company**”) and COFCO (Hong Kong) Limited (the “**Offeror**”) dated 27 November 2019 (the “**Privatisation Announcement**”) in relation to, among other things, the proposal for the privatisation of the Company by way of a scheme of arrangement under Section 673 of the Companies Ordinance and the proposed withdrawal of the listing of the Shares; (ii) the joint announcement of the Company and the Offeror dated 18 December 2019 in relation to the extension of time for despatch of the Scheme Document; (iii) the announcement of the Company dated 14 January 2020 in relation to the estimated annual results for the year ended 31 December 2019 (the “**Profit Forecast Announcement**”); (iv) the joint announcement of the Offeror and the Company dated 17 January 2020 providing a monthly update on the status and progress in connection with the Proposal; and (v) the scheme document jointly issued by the Offeror and the Company on 14 February 2020 in relation to the Proposal, the Scheme and the Option Offer (the “**Scheme Document**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings ascribed to them in the Scheme Document.

## **DESPATCH OF THE SCHEME DOCUMENT**

The Scheme Document, together with the notices of the Court Meeting and the General Meeting to be held on Friday, 6 March 2020, the relevant forms of proxy, the PRC Enterprise Income Tax Declaration Form, the Power of Attorney, the PRC Withholding Income Tax Filing Return and the Information Reporting Form for Non-resident Taxpayer Claiming Treaty Benefits will be despatched to the Shareholders on Friday, 14 February 2020.

The Scheme Document, the Option Offer Letter and the Form of Acceptance in relation to the Option Offer will also be despatched to Optionholders on Friday, 14 February 2020.

The Scheme Document contains, among other things, further details of the Proposal, the Scheme, the Option Offer, the expected timetable, the explanatory statement of the Scheme as required under the Companies Ordinance, financial information of the Group, general information regarding the Offeror and the Company, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser, a notice of the Court Meeting, a notice of the General Meeting, a property valuation report and the form of the Option Offer Letter.

## **RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising Mr. Lam Wai Hon, Ambrose, Mr. Patrick Vincent Vizzone and Mr. Ong Teck Chye, has been established by the Board to make a recommendation to the Independent Shareholders and the Optionholders in respect of the Proposal, the Scheme and the Option Offer.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer.

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned and the terms of the Option Offer are fair and reasonable so far as Optionholders are concerned, and accordingly, it advises the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting to approve the Proposal and the Scheme and at the General Meeting to approve the matters as set out in the notice of General Meeting, and the Optionholders to accept the Option Offer.

The Independent Board Committee, having considered the terms of the Proposal and the Scheme, and having taken into account the opinion of the Independent Financial Adviser, considers that, as far as the Independent Shareholders are concerned, the terms of the Proposal and the Scheme are fair and reasonable, and as far as the Optionholders are concerned, the terms of the Option Offer are fair and reasonable. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and give effect to the Scheme, and the Optionholders to accept the Option Offer.

Shareholders and Optionholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, respectively, contained in the Scheme Document.

## **COURT MEETING AND GENERAL MEETING**

The Court Meeting and the General Meeting are scheduled to be held at 10:00 a.m. and 10:30 a.m. (or, if later, immediately after the conclusion or adjournment of the Court Meeting), respectively, on Friday, 6 March 2020 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

The High Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

Immediately following the conclusion of the Court Meeting, the General Meeting will be held for the purpose of considering and, if thought fit, passing the special resolution(s) to give effect to the Scheme, including the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled.

Notices of the Court Meeting and the General Meeting are contained in the Scheme Document.

An announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and the General Meeting on Friday, 6 March 2020.

#### **CLOSURE OF REGISTER OF MEMBERS FOR DETERMINATION OF ENTITLEMENTS TO VOTE**

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Monday, 2 March 2020 to Friday, 6 March 2020 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Friday, 28 February 2020.

#### **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

Shareholders and potential investors should be aware that the implementation of the Scheme and the Proposal is subject to the fulfilment or waiver, as applicable, of the Conditions as described in the section headed "4. Conditions of the Proposal and the Scheme" in the Explanatory Statement of the Scheme Document, and therefore the Proposal and the Scheme may or may not be implemented. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and Scheme will lapse.

Assuming that the Conditions are fulfilled or, as applicable, waived, the Proposal and the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended and/or voted at the Court Meeting or the General Meeting and will become effective on the Effective Date, which is expected to be Thursday, 19 March 2020, and the listing of the Shares on the Stock Exchange is expected to be withdrawn at 9:00 a.m. on Monday, 23 March 2020 pursuant to Rule 6.15(2) of the Listing Rules.

Further announcements will be made by the Offeror and the Company regarding the Proposal and the Scheme in accordance with the requirements of the Takeovers Code and the Listing Rules, including if all the resolutions are passed at the Court Meeting and the General Meeting, results of the hearing of the petition to sanction the Scheme by the High Court, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares from the Stock Exchange.

## **NOTICE REGARDING THE PROFIT FORECAST**

As the Profit Forecast Announcement constitutes a profit forecast made during the offer period, it must be reported on by the Company's financial advisers and auditors pursuant to Rule 10 of the Takeovers Code. Their reports must be included in the document addressed to the Company's shareholders in connection with the Proposal, which would have been the Scheme Document.

However, due to the outbreak of novel coronavirus in the PRC and the containment and quarantine policies adopted and/or promoted by the PRC government, the auditors of the Company, Deloitte Touche Tohmatsu, has encountered significant practical difficulties in preparing its report, and the Independent Financial Adviser is also as a result unable to issue its report, for the Profit Forecast Announcement in the Scheme Document, as required in Rule 10.4 of the Takeovers Code. Due to the above exceptional circumstances, the Executive has granted a waiver for the above reports for the Profit Forecast Announcement not to be contained in the Scheme Document, on the condition that such reports and the views of the Independent Financial Adviser and the Independent Board Committee will be disclosed by way of an announcement to be issued within 5 days after the despatch of the Scheme Document (i.e. no later than Wednesday, 19 February 2020) and in any event no later than Friday, 21 February 2020, being 14 days prior to the date of the Court Meeting and the General Meeting.

## **CLOSURE OF REGISTER OF MEMBERS FOR DETERMINATION OF ENTITLEMENTS TO THE FURTHER INTERIM DIVIDEND**

References are made to the announcement of the Company dated 4 February 2020 and the Scheme Document. If all the resolutions are passed at the Court Meeting and the General Meeting, for the purpose of determining Scheme Shareholders qualified for entitlements under the Scheme, the register of members of the Company will be closed from Friday, 13 March 2020 onwards and the Scheme Record Date is scheduled as Tuesday, 17 March 2020. The Dividend Record Date will be the earlier of the Scheme Record Date or Monday, 1 June 2020. If the relevant resolutions are not passed at the Court Meeting or the General Meeting, the Dividend Record Date will be 1 June 2020.

If the resolutions are passed at the Court Meeting and the General Meeting, in order to qualify for entitlements to the Further Interim Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Thursday, 12 March 2020. The date of payment of the Further Interim Dividend is expected to be within one month of the Dividend Record Date, being on or before Friday, 17 April 2020 if the Dividend Record Date is Tuesday, 17 March 2020.

## EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

### Hong Kong Time

Date of despatch of the Scheme Document..... Friday, 14 February 2020

Date of despatch of the Option Offer Letter  
for the Option Offer ..... Friday, 14 February 2020

Latest date for the announcement containing the reports  
for the Profit Forecast to be issued (*Note 1*) ..... no later than  
Wednesday, 19 February 2020

Latest time for lodging transfers of Shares in order  
to become entitled to attend and vote at the  
Court Meeting and the General Meeting.....4:30 p.m. on Friday, 28 February 2020

Register of members of the Company closed for  
determination of entitlements of holders of Scheme  
Shares to attend and vote at the Court Meeting and  
of Shareholders to attend and vote at  
the General Meeting (*Note 2*)..... from Monday, 2 March 2020  
to Friday, 6 March 2020  
(both days inclusive)

Latest time for lodging forms of proxy in respect of (*Note 3*)

- Court Meeting..... 10:00 a.m. on Wednesday, 4 March 2020
- General Meeting ..... 10:30 a.m. on Wednesday, 4 March 2020

Meeting Record Date ..... Friday, 6 March 2020

Court Meeting (*Note 4*) ..... 10:00 a.m. on Friday, 6 March 2020

General Meeting (*Note 4*)..... 10:30 a.m. on Friday, 6 March 2020  
(or if later immediately after the conclusion or  
adjournment of the Court Meeting)

Announcement of the results of the Court Meeting  
and the General Meeting posted on the website  
of the Stock Exchange and the website of the Company .....no later than 7:00 p.m.  
on Friday, 6 March 2020

Expected last day for trading in the Shares  
on the Stock Exchange ..... Monday, 9 March 2020

Share Option Record Date ..... Monday, 9 March 2020

Latest time and date for lodging the Form of  
Acceptance in relation to the  
Option Offer (*Note 5*)..... 4:30 p.m. on Monday, 9 March 2020

Lapse of all Share Options (*Note 6*)..... Tuesday, 10 March 2020

Latest time for lodging transfer of Shares in  
order to qualify for entitlements under the  
Scheme and the Further Interim Dividend ..... 4:30 p.m. on Thursday, 12 March 2020

Register of members of the Company closed for  
determining Scheme Shareholders qualified for  
entitlements under the Scheme and Shareholders  
qualified for entitlement of the Further Interim  
Dividend (*Note 7*) .....from Friday, 13 March 2020 onwards

Court hearing of the petition to sanction the Scheme  
and to confirm the reduction of the share capital  
of the Company involved in the Scheme ..... Tuesday, 17 March 2020

Announcement of the results of the court hearing of  
the petition to sanction the Scheme and to confirm  
the reduction of the share capital of the Company  
involved in the Scheme, the expected Effective Date  
and the expected date of withdrawal of listing of  
Shares on the Stock Exchange..... Tuesday, 17 March 2020

Dividend Record Date (*Note 8*) ..... Tuesday, 17 March 2020

Scheme Record Date ..... Tuesday, 17 March 2020

Effective Date (*Note 9*) ..... Thursday, 19 March 2020

Announcement of the Effective Date, the withdrawal of  
the listing of the Shares on the Stock Exchange and  
the results of the Option Offer ..... Thursday, 19 March 2020



Expected withdrawal of the listing of Shares on  
the Stock Exchange becoming effective ..... 9:00 a.m. on Monday, 23 March 2020

Cheques for cash payment under the Scheme and  
cheques for cash payment for acceptances under the  
Option Offer to be despatched (*Note 10*) ..... on or before Monday, 30 March 2020

Date of payment of the Further Interim  
Dividend (*Notes 8 and 11*) ..... on or before Friday, 17 April 2020

*Notes:*

1. The reports to be issued by Deloitte Touche Tohmatsu and the Independent Financial Adviser pursuant to the Takeovers Code on the Profit Forecast and the views of the Independent Financial Adviser and Independent Board Committee will be contained in an announcement to be issued by the Company. For details see section “4. Material Change” paragraph (ii) of Appendix I to the Scheme Document.

Shareholders and potential investors should be aware that the Scheme Document does not meet the standard required by Rule 10 of the Takeovers Code as the Profit Forecast was not reported on as required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the Scheme Document and wait for the issue by the Company of the announcement containing the reports on the Profit Forecast to be prepared by Deloitte Touche Tohmatsu and the Independent Financial Adviser and the views of the Independent Financial Adviser and the Independent Board Committee, in assessing the merits and demerits of the Proposal and dealing in the securities of the Company. Shareholders and potential investors of the Company are also advised to read carefully the above announcement before deciding on whether and, if so how, to vote at the Court Meeting and the General Meeting.

2. The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the General Meeting. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
3. The pink form of proxy in respect of the Court Meeting and the white form of proxy in respect of the General Meeting should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged at the Share Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong by the times and dates stated above. The pink form of proxy for use at the Court Meeting and the white form of proxy for use at the General Meeting must be lodged no later than the time and date stated above in order for them to be valid. The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude a Scheme Shareholder or Shareholder (as the case may be) from attending and voting in person at the relevant meeting or any adjournment thereof if he so wishes. In the event that the Scheme Shareholder or Shareholder (as the case may be) attends and votes at the relevant meeting or any adjournment thereof after having lodged his form of proxy, the returned form of proxy shall be deemed to have been revoked by operation of law.
4. For further details relating to the Court Meeting and the General Meeting, please see the notice of Court Meeting set out in Appendix IV to the Scheme Document and the notice of General Meeting set out in Appendix V to the Scheme Document. If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted, the Government of Hong Kong has announced or is expected to issue an announcement on “extreme conditions” caused by super typhoons or a black rainstorm warning signal is or is expected to be in force at any time after 7:00 a.m. on the date of the Court Meeting and the General Meeting, the Court Meeting and the General Meeting will be postponed. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the Scheme Shareholders and Shareholders (as the case may be) of the date, time and venue of the rescheduled meetings.



5. Forms of Acceptance, duly completed in accordance with the instructions on them, must be lodged so as to reach the Offeror, care of China Agri-Industries Holdings Limited at 7th Floor, COFCO Fortune Plaza, No. 8 Chaoyangmen South Street, Chaoyang District, Beijing 100020, China, for the attention of the Human Resources Department of the Company not later than 4:30 p.m. on Monday, 9 March 2020 (or such later date as may be notified by the Offeror or CICC or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange).
6. Pursuant to the terms of the Share Option Scheme, subject to the Scheme becoming effective, all Share Options shall lapse automatically on Tuesday, 10 March 2020 and will no longer be exercisable as from such date.
7. The register of members of the Company will be closed during such period for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme and Shareholders who are qualified for entitlements of the Further Interim Dividend.
8. As disclosed in the announcement of the Company dated 4 February 2020, the Further Interim Dividend will be payable to Shareholders whose names appear on the register of members of the Company on the Dividend Record Date, which will be the earlier of the Scheme Record Date (currently scheduled as Tuesday, 17 March 2020) or Monday, 1 June 2020. If the relevant resolutions are not passed at the Court Meeting or the General Meeting, the Dividend Record Date will be 1 June 2020.
9. The Scheme shall become effective as soon as an office copy of the order of the High Court sanctioning the Scheme (with or without modification) and confirming the reduction of issued share capital of the Company resulting from the cancellation of the Scheme Shares together with a minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance shall have been registered by the Registrar of Companies under Part 2 of the Companies Ordinance.
10. Cheques for the payment of the Cancellation Price under the Scheme and payment of the Share Option Offer Price under the Option Offer will be sent within seven Business Days following the Effective Date by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first in such registers in respect of the joint holding. All such cheques will be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, CICC, the Independent Financial Adviser, the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch.
11. The Further Interim Dividend is expected to be paid within one month of the Dividend Record Date to the Shareholders whose names appear on the register of members on the Dividend Record Date.

All references to times and dates in this Announcement are references to Hong Kong times and dates, unless otherwise stated.

## Warnings:

Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors should also be aware that the Scheme Document does not meet the standard required by Rule 10 of the Takeovers Code as the Profit Forecast was not reported on as required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the Scheme Document and wait for the issue by the Company of the announcement containing the reports on the Profit Forecast to be prepared by Deloitte Touche Tohmatsu and the Independent Financial Adviser and the views of the Independent Financial Adviser and the Independent Board Committee, in assessing the merits and demerits of the Proposal and dealing in the securities of the Company. Shareholders and potential investors of the Company are also advised to read carefully the above announcement before deciding on whether and, if so how, to vote at the Court Meeting and the General Meeting..

Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By Order of the board of  
**COFCO (Hong Kong) Limited**  
**SONG Liang**  
*Director*

By Order of the board of  
**China Agri-Industries Holdings Limited**  
**LUAN Richeng**  
*Chairman*

Hong Kong, 14 February 2020

*As at the date of this announcement, the directors of the Offeror are Mr. LV Jun, Mr. YU Xubo, Mr. LUO Jiamang and Mr. SONG Liang.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and the Directors) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Company or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the Board comprises: Mr. LUAN Richeng as chairman of the Board and non-executive Director; Mr. WANG Zhen, Mr. XU Guanghong and Ms. HUA Jian as executive Directors; Mr. JIA Peng and Mr. MENG Qingguo as non-executive Directors; and Mr. LAM Wai Hon, Ambrose, Mr. Patrick Vincent VIZZONE and Mr. ONG Teck Chye as independent non-executive Directors.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Group and the Directors and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the Company or the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*