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SanXing Trade Co., Ltd.

(Incorporated in Mauritius with limited liability)

CHANGSHOUHUA FOOD COMPANY LIMITED

長壽花食品股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1006)

JOINT ANNOUNCEMENT

(1) PROPOSAL FOR THE PRIVATISATION OF CHANGSHOUHUA FOOD COMPANY LIMITED BY SANXING TRADE CO., LTD. BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE COMPANIES LAW)

(2) PROPOSED WITHDRAWAL OF LISTING OF CHANGSHOUHUA FOOD COMPANY LIMITED

IRREVOCABLE UNDERTAKING BY THE IU SHAREHOLDER TO APPROVE THE PROPOSAL

Financial Adviser to the Offeror



INTRODUCTION

Reference is made to the joint announcement issued by Changshouhua Food Company Limited (the “**Company**”) and SanXing Trade Co., Ltd. (the “**Offeror**”) on 7 September 2020 (the “**Announcement**”) in relation to, among other things, the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Law. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

IRREVOCABLE UNDERTAKING

On 28 September 2020, the Offeror received an irrevocable undertaking (the “**Irrevocable Undertaking**”) from Koo Yuen Kim (the “**IU Shareholder**”), pursuant to which the IU Shareholder has irrevocably undertaken to the Offeror that the IU Shareholder shall, amongst other things:

- (i) exercise (or procure the exercise of) all voting rights attached to the Shares held or owned by the IU Shareholder (the “**IU Shares**”) at the Court Meeting and the extraordinary general meeting to be convened by the Company in connection with the Proposal in favour of all the resolutions to approve the Scheme and any matters in connection with the Scheme (where applicable);
- (ii) exercise (or procure the exercise of) the voting rights attached to the IU Shares against any resolution which (i) might reasonably be expected to restrict, impede or delay implementation of the Scheme; or (ii) approves or gives effect to (and will agree not to be bound by) a proposal by a person other than the Offeror, to acquire (or have issued to it) any Shares or any assets of the Company or to privatise the Company; and
- (iii) withdraw such IU Shares from CCASS (if such Shares are not registered in the name of the IU Shareholder) and to sign and deliver forms of proxy at the prescribed time after the publication of the Scheme Document, and not revoke or revise such forms of proxy or the voting instructions.

The IU Shareholder has also undertaken to the Offeror that it shall not (i) sell, transfer, charge, encumber, grant any option over or otherwise dispose of such IU Shares, (ii) accept any other offer in respect of such IU Shares, or (iii) take any action or enter into any agreement or arrangement which would or might impede or otherwise preclude the performance of the terms of the Irrevocable Undertaking.

As at the date of this announcement, the 64,168,881 Shares held by the IU Shareholder which are the subject of the Irrevocable Undertaking represents approximately 11.19% of the total issued share capital of the Company, approximately 23.37% of the Scheme Shares, and approximately 23.90% of the Shares held by Independent Shareholders.

The Irrevocable Undertaking, being a binding irrevocable undertaking, will terminate and the above obligations of the IU Shareholder under the Irrevocable Undertaking will cease to be binding if the Scheme does not become effective, lapses or is withdrawn in accordance with its terms and no new, revised or replacement Scheme is announced by the Offeror and/or the Company at the same time.

Warnings:

Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. 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
SanXing Trade Co., Ltd.
Wang Mingxing
Director

By order of the Board of
Changshouhua Food Company Limited
Wang Mingxing
Chairman

Hong Kong, 29 September 2020

As at the date of this announcement, the directors of the Offeror are Mr. Wang Mingxing and Mr. Yang Pengfei.

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 Cinda Group) 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 Group and Cinda Group) 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 directors of Shandong Sanxing are Mr. Wang Mingfeng, Mr. Wang Mingxing and Mr. Wang Mingliang.

The directors of Shandong Sanxing jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and Cinda Group) 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 Group and Cinda Group) 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 investment committee of Cinda Fund consists of five members, namely Mr. Li Shuo, Mr. Wang Chuanwei, Mr. Yang Pengfei, Mr. Zhang Lei and Mr. Wang Mingxing.

The members of the investment committee of Cinda Fund jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to Cinda Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the Cinda Group 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 of this announcement, the Board consists of five executive Directors, namely Mr. Wang Mingxing, Mr. Wang Mingfeng, Mr. Wang Mingliang, Mr. Cheng Wenming and Mr. Ren Zaishun, and three independent non-executive Directors, namely Mr. Wang Aiguo, Mr. Wang Ruiyuan and Mr. Liu Shusong.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the Group 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.