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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**

### **DESPATCH OF SCHEME DOCUMENT**

**Financial Adviser to the Offeror**



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



### **INTRODUCTION**

Reference is made to (i) the joint announcement issued by Changshouhua Food Company Limited (the “**Company**”) and SanXing Trade Co., Ltd. (the “**Offeror**”) on 7 September 2020 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, (ii) the joint announcement issued by the Company and the Offeror on 28 September 2020 in relation to the extension of time for despatch of the Scheme Document, and (iii) the scheme document jointly issued by the Company and

the Offeror on 27 October 2020 in relation to the Proposal and the Scheme (“**Scheme Document**”). Capitalised terms used herein shall have the same meanings as defined in the Scheme Document unless the context requires otherwise.

## **DESPATCH OF SCHEME DOCUMENT**

The Scheme Document together with the notices of the Court Meeting and the Extraordinary General Meeting of the Company to be held on Thursday, 19 November 2020 and the relevant proxy forms will be despatched to the Shareholders on Tuesday, 27 October 2020.

The Scheme Document contains, among other things, further details of the Scheme, the Proposal, the expected timetable, the explanatory memorandum of the Scheme as required under the Companies Law, general information regarding the Company and the Offeror, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser, a notice of the Court Meeting and a notice of the Extraordinary General Meeting.

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

The Independent Board Committee, comprising Mr. Wang Aiguo, Mr. Wang Ruiyuan and Mr. Liu Shusong, has been established by the Board to make a recommendation to the Independent Shareholders in respect of the Proposal and the Scheme.

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

The Independent Financial Adviser has stated that it considers the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned, and it advises the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting to approve and implement the Proposal and the Scheme.

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. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting to approve and implement the Proposal and the Scheme.

Shareholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Scheme and the Proposal as set out in the letters from the Independent Board Committee and the Independent Financial Adviser as contained in the Scheme Document.

## **COURT MEETING AND EXTRAORDINARY GENERAL MEETING**

The Court Meeting and the Extraordinary 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 Thursday, 19 November 2020 at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong.

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications).

The Extraordinary General Meeting will be held for the purpose of considering and, if thought fit, passing the special resolution to (i) approve and give effect to any reduction of the issued share capital of the Company as a result of cancelling and extinguishing the Scheme Shares, and (ii) contemporaneously maintain the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme for issue to the Offeror.

Notices of the Court Meeting and the Extraordinary 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 Extraordinary General Meeting on Thursday, 19 November 2020.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlements of holders of Scheme Shares to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from Monday, 16 November 2020 to Thursday, 19 November 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 Extraordinary 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. (Hong Kong time) on Friday, 13 November 2020.

## CONDITIONS OF THE PROPOSAL AND THE SCHEME

Shareholders and potential investors should be aware that the Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the section headed “4. Conditions of the Proposal and the Scheme” in Part VII — Explanatory Memorandum of the Scheme Document. All the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will not proceed and will lapse. Further announcements on any changes regarding the timetable of the Scheme will be made as and when necessary.

## EXPECTED TIMETABLE

**Hong Kong Time  
unless indicated otherwise**

Date of despatch of the Scheme Document..... Tuesday, 27 October 2020

Latest time for lodging transfers of Shares in order to  
become entitled to attend and vote at the Court Meeting  
and/or the Extraordinary General Meeting..... 4:30 p.m. on Friday,  
13 November 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 Extraordinary General Meeting (*Note 1*)..... From Monday, 16 November 2020  
to Thursday, 19 November 2020  
(both days inclusive)

Latest time for lodging forms of proxy in respect of (*Note 2*)

- Court Meeting..... 10:00 a.m. on Tuesday,  
17 November 2020
- Extraordinary General Meeting..... 10:30 a.m. on Tuesday,  
17 November 2020

Meeting Record Date..... Thursday, 19 November 2020

Court Meeting (*Note 3*) ..... 10:00 a.m. on Thursday,  
19 November 2020

Extraordinary General Meeting ( <i>Note 3</i> ).....	10:30 a.m. on Thursday, 19 November 2020 (or, if later, immediately after the conclusion or adjournment of the Court Meeting)
Announcement of the results of the Court Meeting and the Extraordinary General Meeting posted on the website of the Stock Exchange and the website of the Company .....	no later than 7:00 p.m. on Thursday, 19 November 2020
Expected latest time for trading in the Shares on the Stock Exchange .....	4:10 p.m. on Friday, 20 November 2020
Latest time for lodging transfer of Shares in order to qualify for entitlements under the Scheme .....	4:30 p.m. on Wednesday, 25 November 2020
Register of members of the Company closed for determining Scheme Shareholders qualified for entitlements under the Scheme ( <i>Note 4</i> ) .....	from Thursday, 26 November 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 .....	Monday, 30 November 2020 (Cayman Islands time)
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 .....	At or before 8:30 a.m. on Wednesday, 2 December 2020
Scheme Record Date .....	Thursday, 3 December 2020
Effective Date ( <i>Note 5</i> ) .....	Thursday, 3 December 2020 (Cayman Islands time)

Announcement of the Effective Date and the withdrawal  
of the listing of the Shares on the Stock Exchange..... At or before 8:30 a.m.  
on Friday, 4 December 2020

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

Cheques for cash payment under the Scheme  
to be despatched (*Note 6*)..... on or before Monday,  
14 December 2020

*Notes:*

1. 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 Extraordinary General Meeting. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the Extraordinary 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 should be lodged no later than 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof although it may be handed to the chairman of the Court Meeting at the Court Meeting. The **white** form of proxy for use at the Extraordinary General Meeting must be lodged no later than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof in order to be accepted. The completion and return of a form of proxy for the Court Meeting and/or the Extraordinary 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 will be revoked by operation of law.
3. For further details relating to the Court Meeting and the Extraordinary General Meeting, please see the notice of Court Meeting set out in Appendix IV to the Scheme Document and the notice of Extraordinary 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 or a black rainstorm warning signal or “extreme conditions” caused by super typhoons 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 Extraordinary General Meeting, the Court Meeting and the Extraordinary General Meeting may be adjourned. The Company may 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 reconvened meetings.
4. 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.

5. The Scheme shall become effective upon all the Conditions set out in the paragraph headed “4. Conditions of the Proposal and the Scheme” in Part VII — Explanatory Memorandum of the Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be).
6. Cheques for the payment of the Cancellation Price under the Scheme will be sent within seven Business Days of 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.

All references to times and dates in this joint 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 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, 27 October 2020

*As at the date of this joint 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 joint 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 joint 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 joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint 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 joint 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 joint 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 joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint 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 joint announcement relating to Cinda Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the Cinda Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the of this joint 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 joint announcement relating to the Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*