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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**

**(3) RESULTS OF COURT MEETING AND
EXTRAORDINARY GENERAL MEETING**

**(4) LATEST TIME FOR TRADING OF SHARES
ON THE STOCK EXCHANGE**

AND

(5) CLOSURE OF REGISTER OF MEMBERS

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



RESULTS OF COURT MEETING AND EXTRAORDINARY GENERAL MEETING

On Thursday, 19 November 2020, the resolution to approve the Scheme was approved by the Scheme Shareholders at the Court Meeting.

The special resolution to approve, amongst other things, (i) any reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares pursuant to the Scheme, (ii) the contemporaneous issue of such number of new Shares (the “**New Shares**”) as is equal to the number of Scheme Shares cancelled to maintain the issued share capital of the Company; and (iii) the application of the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the New Shares for issue to the Offeror was approved at the Extraordinary General Meeting.

EXPECTED LATEST TIME FOR TRADING OF SHARES ON THE STOCK EXCHANGE

The expected latest time for trading of the Shares on the Stock Exchange is 4:10 p.m. on Friday, 20 November 2020.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Thursday, 26 November 2020 onwards. During such period, no transfer of Shares will be effected.

INTRODUCTION

References are made to the scheme document jointly issued by Changshouhua Food Company Limited (the “**Company**”) and SanXing Trade Co., Ltd. (the “**Offeror**”) on 27 October 2020 (the “**Scheme Document**”) 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 and the proposed withdrawal of listing of the Company. Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Thursday, 19 November 2020 at 10:00 a.m. (Hong Kong time). Scheme Shareholders who were present either in person or by proxy were entitled to vote in respect of all of their Scheme Shares. In compliance with both Section 86 of the Companies Law and Rule 2.10 of the Takeovers Code, the approval required to be obtained at the Court Meeting in respect of the Scheme would be regarded as obtained if:

- (1) the Scheme was approved (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (2) the Scheme was approved (by way of poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (3) the number of votes cast (by way of poll) by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting was not more than 10% of the votes attaching to all the Scheme Shares held by all Independent Shareholders.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

Court Meeting	Number of votes cast in person or by proxy		
	Total	For	Against
Number of the Scheme Shareholders who were present and voting (<i>Note 1</i>)	145	131	14
Number of Scheme Shares held by the Scheme Shareholders who were present and voting (Approximate %) (<i>Note 2</i>)	157,145,809 (100.00%)	131,940,347 (83.96%)	25,205,462 (16.04%)
Number of votes attaching to the Scheme Shares held by Independent Shareholders that were voted (Approximate %) (<i>Note 2</i>)	151,149,809 (100.00%)	125,944,347 (83.32%)	25,205,462 (16.68%)
Approximate percentage of (i) the number of votes cast by Independent Shareholders against the Scheme over (ii) the number of votes attaching to all the Scheme Shares held by Independent Shareholders (being 268,526,751 Shares) (<i>Note 2</i>)			9.39%

Notes:

1. For the purpose of calculating whether or not the “majority in number” of Scheme Shareholders have approved the Scheme under Section 86 of the Companies Law, HKSCC Nominees was counted as one Scheme Shareholder. HKSCC Nominees voted for the Scheme based on the majority of the voting instructions given by the CCASS Participants (including CCASS Investor Participants). Please see further details below concerning the vote of HKSCC Nominees.
2. The percentage figures are rounded to two decimal places.

Accordingly, the resolution proposed at the Court Meeting to approve the Scheme was duly passed in accordance with the requirements of both Section 86 of the Companies Law and Rule 2.10 of the Takeovers Code.

As at the date of the Court Meeting: (1) the total number of Shares in issue was 573,560,000 Shares; (2) the total number of Scheme Shares was 274,522,751 Shares, representing 47.86% of the issued share capital of the Company; (3) the total number of Scheme Shares entitled to be voted at the Court Meeting in respect of the Scheme for the purpose of section 86 of the Companies Law was 274,522,751 Shares, representing 47.86% of the issued share capital of the Company; and (4) the total number of Scheme Shares held by Independent Shareholders entitled to vote at the Court Meeting in respect of the Scheme for the purpose of Rule 2.10 the Takeovers Code was 268,526,751 Shares, representing approximately 46.82% of the issued share capital of the Company.

As at 7 September 2020 (the date of the Announcement) and the date of the Court Meeting (being the date of this announcement), the Offeror and the Offeror Concert Parties held, controlled or directed 305,033,249 Shares, representing approximately 53.18% of the issued Shares, out of which (i) 299,037,249 Shares which the Offeror is interested in did not form part of the Scheme Shares as disclosed in the Scheme Document and were not voted at the Court Meeting; and (ii) 5,996,000 Shares held by Mr. Wang Mingxing formed part of the Scheme Shares as disclosed in the Scheme Document, were voted at the Court Meeting and counted towards the number of Scheme Shares voted by Scheme Shareholders for the purpose of section 86 of the Companies Law but were not counted towards the number of Scheme Shares voted by Independent Shareholders for the purpose of Rule 2.10 of the Takeovers Code.

Other than as disclosed above, no Scheme Shareholder was required to abstain from voting on the Scheme at the Court Meeting in accordance with the Takeovers Code or the Listing Rules (including Listing Rule 13.40) nor did any person indicate in the Scheme Document that he/she/it intended to abstain from voting on or voting against the Scheme at the Court Meeting.

For the purpose of calculating whether or not the “majority in number” of Scheme Shareholders have approved the Scheme under Section 86 of the Companies Law, HKSCC Nominees was counted as one Scheme Shareholder and whether its vote was counted in favour of or against the Scheme was determined in accordance with the majority of voting instructions given to it by the CCASS Participants (including CCASS Investor Participants).

A total number of 12 CCASS Participants holding 72,884,084 Scheme Shares voted in favour of the resolution to approve the Scheme, and a total number of 5 CCASS Participants holding 25,199,228 Scheme Shares voted against the resolution to approve the Scheme at the Court Meeting. No CCASS Investor Participants voted in favour of or against the resolution to approve the Scheme at the Court Meeting. Accordingly, for the purpose of calculating the “majority in number”, the vote of HKSCC Nominees was counted in favour of the resolution to approve the Scheme.

Tricor Investor Services Limited acted as scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting was held at 10:30 a.m. (Hong Kong time) on Thursday, 19 November 2020 at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong for the purpose of considering, and if thought fit, passing the special resolution set out in the notice of the Extraordinary General Meeting dated 27 October 2020.

The poll results in respect of the special resolution proposed at the Extraordinary General meeting were as follows:

Special resolution	Number of votes cast in person or by proxy (Approximate %) (Note 2)		
	Total	For	Against
To approve and give effect to any reduction of the issued share capital of the Company, contemporaneously maintain the issued share capital of the Company, and authorise any one of the directors of the Company to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme and to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Shares <i>(Note 1)</i>	335,322,024 (100.00%)	310,117,596 (92.48%)	25,204,428 (7.52%)

Notes:

1. The full text of the resolution is set out in the notice of the Extraordinary General Meeting, which is included in the Scheme Document despatched to the Scheme Shareholders.
2. The percentage figures are rounded to two decimal places.

Accordingly, the special resolution proposed at the Extraordinary General Meeting was duly passed by a majority of not less than 75% of the votes cast by the Shareholders present and voting (either in person or by proxy) at the Extraordinary General Meeting.

The total number of Shares entitling the Shareholders to attend and vote for or against the special resolution either in person or by proxy at the Extraordinary General Meeting was 573,560,000 Shares. No Shareholder was required to abstain from voting on the special resolution at the Extraordinary General Meeting in accordance with the Takeovers Code or the Listing Rules (including Listing Rule 13.40) nor did any person indicate in the Scheme Document that he/she/it intended to abstain from voting on or voting against the special resolution at the Extraordinary General Meeting.

Tricor Investor Services Limited acted as scrutineer for the vote-taking at the Extraordinary General Meeting.

EXPECTED LATEST TIME FOR TRADING OF SHARES ON THE STOCK EXCHANGE

The expected latest time for trading of the Shares on the Stock Exchange is 4:10 p.m. on Friday, 20 November 2020.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Thursday, 26 November 2020 onwards. During such period, no transfer of Shares will be effected.

WITHDRAWAL OF THE LISTING OF THE SHARES

If the Proposal becomes unconditional and the Scheme becomes effective, the Company expects to withdraw the listing of the Shares on the Stock Exchange at 9:00 a.m. on Monday, 7 December 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
unless indicated otherwise**

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 1</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 2</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 (<i>Note 3</i>)	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 Scheme Shareholders who are qualified for entitlements under the Scheme.
2. 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).
3. 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.

GENERAL

Neither the Offeror nor Offeror Concert Parties had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares since 7 September 2020 up to the date of this joint announcement.

As at the date of this joint announcement, neither the Offeror nor Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

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.

The Offeror and the Company hereby remind their respective associates of the dealing restrictions under the Takeovers Code and to disclose their permitted dealings, if any, in any securities of the Company.

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, 19 November 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.