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嘉士利集團有限公司  
Jiashili Group Limited



*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1285)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
ACQUISITION OF THE ENTIRE EQUITY INTEREST IN  
GUANGDONG KANGLI FOOD COMPANY LIMITED\***

On 10 May 2021 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire equity interest in the Target Company at the consideration of RMB135,000,000 (equivalent to HK\$163,350,000) in cash.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the entire issued share capital of the Vendor is owned by Kaiyuan, a controlling shareholder of the Company, which is ultimately beneficially owned as to 80% by Mr. Huang, an executive Director and a controlling shareholder of the Company, and 20% by other members of the Huang's Family. As such, the Vendor is an associate of the controlling shareholder and thus a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

By virtue of the interests of Mr. Huang in the Equity Transfer Agreement, he had abstained from voting in respect of the relevant board resolutions relating to the Equity Transfer Agreement and the Acquisition. Save for the aforesaid, no other Directors has a material interest in the Equity Transfer Agreement and was required to abstain from voting on the Board resolution approving the Equity Transfer Agreement and the Acquisition.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Equity Transfer Agreement and the Acquisition shall abstain from voting on the resolutions to approve the Equity Transfer Agreement and the Acquisition at the EGM. As at the date of this announcement, Mr. Huang and his close associates, namely Great Logistics and Kaiyuan, who together are interested in 310,472,000 Shares, representing approximately 74.81% of the total issued share capital of the Company, will be required to abstain from voting on the relevant resolutions at the EGM accordingly. Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the Equity Transfer Agreement and the Acquisition and will be required to abstain from voting on the relevant resolutions to approve the Equity Transfer Agreement and the Acquisition at the EGM.

## GENERAL

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders on whether the Equity Transfer Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Lego Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Equity Transfer Agreement and the Acquisition are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve, among others, the Equity Transfer Agreement and the Acquisition.

A circular containing, among other things, (i) further details about the Equity Transfer Agreement and the Acquisition; (ii) a letter of the Independent Board Committee to the Independent Shareholders in relation to the Equity Transfer Agreement and the Acquisition; (iii) a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement and the Acquisition; (iv) a valuation report on the Lands and other property interests of the Target Company; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 11 June 2021 in accordance with the Listing Rules, as additional time is required to prepare certain information to be included in the circular in connection with the Acquisition.

**The Acquisition is subject to the satisfaction or waiver (as the case may be) of the conditions precedent as set out in the Equity Transfer Agreement and may or may not proceed to Completion. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## INTRODUCTION

On 10 May 2021 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire equity interest in the Target Company at the consideration of RMB135,000,000 (equivalent to HK\$163,350,000) in cash.

## **THE EQUITY TRANSFER AGREEMENT**

The principal terms of the Equity Transfer Agreement are summarised below:

### **Date**

10 May 2021

### **Parties**

- (i) Vendor: Koni (Hong Kong) Food Investment Limited (康力(香港)食品投資有限公司)
- (ii) Purchaser: Jiashili (Hong Kong) Limited (嘉士利(香港)有限公司)
- (iii) Target Company: Guangdong Kangli Food Company Limited\* (廣東康力食品有限公司)

As at the date of this announcement, the entire issued share capital of the Vendor is owned by Kaiyuan, a controlling shareholder of the Company, which is ultimately beneficially owned as to 80% by Mr. Huang, an executive Director and a controlling shareholder of the Company, and 20% by other members of the Huang's Family. As such, the Vendor is an associate of the controlling shareholder and thus a connected person of the Company under the Listing Rules.

### **Assets to be acquired**

Pursuant to the Equity Transfer Agreement, which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire equity interest in the Target Company.

## Consideration

The consideration for the Acquisition is RMB135,000,000 (equivalent to HK\$163,350,000), which shall be settled in cash in the following manner:

- (i) conditional upon fulfillment of the following conditions, a prepayment in the amount of RMB93,000,000 (the “**Prepayment**”) shall be paid by the Purchaser to the Vendor on or before 20 May 2021, which will automatically settle part of the consideration on the date of Completion:
  - (a) the company stamps, certificates, licenses, books of accounts, passcode devices of bank accounts and keys of the Target Company having delivered to the Purchaser;
  - (b) in accordance with the Purchaser’s request, the Target Company having instructed the banks to change the stamps and signatories of the bank accounts of the Target Company; and
  - (c) the Target Company having approved the appointment of the directors, legal representative and financial officer nominated by the Purchaser, and the relevant changes in personnel having reported and filed with the administration for market regulation;
  - (d) Zhongchen and the Target Company having entered into an agreement regarding the transfer of the Lands from Zhongchen to the Target Company; and
  - (e) Zhongchen has delivered the Lands to the Target Company for its use at nil consideration; and
- (ii) the remaining balance of RMB42,000,000 shall be paid by the Purchaser to the Vendor on the date of Completion.

The Parties agreed that the consideration for the Acquisition can be settled either in RMB or an equivalent amount of HK\$, based on the daily reference rate of RMB against HK\$ set by the People’s Banks of China.

The Prepayment together with accrued interest (as set out below) shall be returned to the Purchaser in full by the Vendor within three (3) business days in the event that the Equity Transfer Agreement and the Acquisition are not approved by the Independent Shareholders at the EGM.

The consideration for the Acquisition will be funded by internal resources of the Group.

### **Basis of the determination of the consideration**

The consideration for the Acquisition was determined after arm's length negotiation between the Group and the Vendor with reference to (i) the unaudited net asset value of the Target Company as at 30 April 2021 of approximately RMB33,229,000 (equivalent to HK\$40,207,090); (ii) the appraised value of the Lands and other property interests of the Target Company as at 30 April 2021 of approximately RMB102,192,000 (equivalent to HK\$123,652,320) and RMB16,757,000 (equivalent to HK\$20,275,970), respectively, as assessed by Castores Magi (Hong Kong) Limited, an independent professional valuer; and (iii) the benefits of the Acquisition brought about to the Group upon Completion as set out in the paragraph headed "Reasons for and benefits of the Acquisition" below in this announcement.

The Directors (excluding the independent non-executive Directors who will express their views after considering the advice of an independent financial adviser) consider that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Conditions precedent**

Completion is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (i) the Company having obtained the Independent Shareholders' approval at the EGM for the Equity Transfer Agreement and the Acquisition in accordance with the Listing Rules;
- (ii) the warranties provided by the Target Company and the Vendor in the Equity Transfer Agreement remaining true, complete and effective at Completion as if repeated at Completion, and the undertakings agreed to be complied with or performed by the Target Company and/or the Vendor prior to Completion having been complied with or performed in all material aspects;
- (iii) there not being in existence any material adverse change up to the date of Completion;
- (iv) the Vendor and/or Zhongchen having procured the transfer of the Lands to the Target Company and completed the registration of such transfer;

- (v) the Vendor and the Target Company having acted in accordance with the Purchaser's instructions in relation to the appointment of the directors, legal representative and financial officer nominated by the Purchaser; and
- (vi) the Target Company having completed the relevant industry and commerce reporting and registration procedures at the administration of market regulation in respect of the Acquisition, and the Purchaser having registered as the shareholder of the entire equity interest of the Target Company.

The Purchaser may at any time at its absolute and sole discretion waive the conditions set out in paragraphs (ii) to (vi) above.

Pursuant to the Equity Transfer Agreement, interest shall accrue on the Prepayment from the date of payment on daily basis and the Vendor shall pay such interest to the Purchaser at an interest rate of 5% per annum until the occurrence of the following incidents, whichever is the earlier:

- (i) the Equity Transfer Agreement and the Acquisition are not approved by the Independent Shareholders at the EGM;
- (ii) any of the above condition have not been fulfilled or waived prior to 30 September 2021 (the "**Long Stop Date**") or any later date as agreed by the Parties, upon which the Equity Transfer Agreement is terminated by the Purchaser; or
- (iii) the Purchaser is recorded as the sole shareholder in the register of shareholders of the Target Company.

If any of the above conditions have not been fulfilled or waived prior to the Long Stop Date, any Party shall have the right to terminate the Equity Transfer Agreement, and the Vendor shall return the Prepayment together with accrued interest to the Purchaser within three (3) business days upon termination of the Equity Transfer Agreement.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

## INFORMATION ON THE TARGET COMPANY

### Corporate information

The Target Company is a limited liability company established in the PRC on 24 September 1998, with registered capital of RMB52 million. It is principally engaged in the manufacture and sale of pasta products. As at the date of this announcement, the Target Company is wholly owned by Zhongchen, which is in turned owned as to 80% by Mr. Huang and 20% by other members of the Huang's Family.

After entering into of the Equity Transfer Agreement and prior to Completion, the Target Company will undergo a corporate reorganisation, pursuant to which Zhongchen will transfer its entire equity interest in the Target Company to the Vendor, which is ultimately beneficially owned as to 80% by Mr. Huang and 20% by other members of the Huang's family, and inject the Lands into the Target Company.

### Financial information

Set out below is the audited financial information of the Target Company for the financial year ended 31 December 2019 and the unaudited financial information of the Target Company for the financial year ended 31 December 2020:

	<b>For the year ended 31 December 2019 <i>RMB'000</i> (audited)</b>	<b>For the year ended 31 December 2020 <i>RMB'000</i> (unaudited)</b>
Revenue	51,494	51,005
(Loss) before tax	(12,430)	(2,244)
(Loss) after tax	(12,430)	(2,244)

The unaudited net asset value and total asset value of the Target Company as at 30 April 2021 were approximately RMB33.2 million and RMB52.9 million, respectively. Assuming the injection of the Lands has been completed and taking into account the appraisal of the Lands and other property interests of the Target Company as assessed by the independent valuer, the unaudited net asset value and total asset value of the Target Company as at 30 April 2021 were approximately RMB140.5 million and RMB160.2 million, respectively.



## **Information on the Lands**

As part of the corporate reorganization, Zhongchen will inject two parcels of lands into the Target Company, completion of which shall take place prior to Completion. The Lands are respectively situated at No. 43-2 and No. 45 of Long Mei Gong Ye Road, Shuikou Town, Kaiping City, Guangdong Province, PRC (中國廣東省開平市水口鎮龍美工業路43號之2及45號), with a total site area of approximately 30,970 sq. m. and a total gross floor area of approximately 26,490 sq. m. for industrial use. Pursuant to the Immovable Property Certificates (不動產權證) in respect of the Lands, land use rights up to 2055 and 2047 have been granted to the Zhongchen, respectively. Several factory and office buildings and staff quarters are currently erected on the Lands.

## **Information on other property interests of the Target Company**

As at the date of this announcement, the Target Company also holds three parcels of lands situated at Nos. 32, 39 and 53 of Wuxi Road West, Sanbu District, Kaiping City, Guangdong Province, PRC (中國廣東省開平市三埠區武溪西路32號、39號及53號) with total site area of approximately 3,949 sq. m. for industrial use. Pursuant to the relevant State-owned Land Use Rights Certificates (國有土地使用權證), land use rights have been granted to the Target Company up to 2081, 2061 and 2061, respectively. Several buildings used as workshop, warehouse and office are currently erected on the lands.

The Target Company also possesses an industrial unit on Level 1 situated at No. 49-1 of Wuxi Road West, Sanbu District, Kaiping City, Guangdong Province, PRC (中國廣東省開平市三埠區武溪西路49號之一). Pursuant to a Realty Title Certificate (房地權證) granted to the Target Company, this industrial unit has a gross floor area of approximately 306 sq. m..

## **INFORMATION ON THE VENDOR**

The Vendor is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding. As at the date of this announcement, the entire issued share capital of the Vendor is owned by Kaiyuan, a controlling shareholder of the Company, which is ultimately beneficially owned as to 80% by Mr. Huang, an executive Director and a controlling shareholder of the Company, and 20% by other members of the Huang's Family. As such, the Vendor is an associate of the controlling shareholder and thus a connected person of the Company under the Listing Rules.

## **INFORMATION ON THE PURCHASER AND THE GROUP**

The Purchaser is a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company and is engaged in investment holding.

The Group is principally engaged in manufacture and sale of biscuits in the PRC and Hong Kong.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group has always been exploring opportunities to enter into other sectors in the food industry and diversify its product offerings. As the Group recognises a growing demand towards healthy food from the consumers, it has planned to accommodate the contemporary market trend by launching and sourcing products with healthier ingredients.

Pasta is rich in carbohydrate and has a good mineral content including, among others, calcium, magnesium, as well as B vitamins. The Target Company is a long-established and leading enterprise in the production of pasta in the PRC, the quality of its wide range of products has been well-recognised.

In October 2019, the Group has entered into a master purchase agreement with the Target Company for the purchase of pasta products from the Target Company until December 2021 (the “**Business Cooperation**”), details of which are disclosed in the Company’s announcement dated 17 October 2019 and circular dated 12 November 2019. As the pasta products purchased from the Target Company are sold through the extensive nationwide distribution channel of the Group, the penetration and sales of the pasta products have been increased, thereby generating synergy to both the Target Company and the Group. The Business Cooperation has also successfully enhanced the product portfolio and market recognition of the Group. Since the commencement of the Business Cooperation, due to the sharing of the Target Company’s customer resources in the pasta sector with the Group, the customer base of the Group has also been broadened.

The Board is of the view that the Acquisition would enable the Group to continue to enjoy the above benefits brought by the Business Cooperation. In addition, such benefits are expected to be enhanced upon the Group’s gaining full control at both the shareholding and board levels of the Target Company, which allows greater operational control in the supply of pasta products. The Acquisition would also allow the Group to fully enjoy the future growth and performance of the Target Company. Moreover, the Lands are located near to the Group’s production facilities in Kaiping, the factory and office buildings erected on the Lands have been well-maintained and ready for use, the Group will be able to make use of the Lands for potential expansion of its production facilities flexibly and efficiently.

The Group plans to combine the demands of raw materials from itself and the Target Company and make bulk purchases in the future. The expected centralised procurement and bulk purchasing will enhance purchase and management efficiency, lower purchase costs and further improve the performance of the Company.

Based on the above, the Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice from the independent financial adviser) consider that the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the entire issued share capital of the Vendor is owned by Kaiyuan, a controlling shareholder of the Company, which is ultimately beneficially owned as to 80% by Mr. Huang, an executive Director and a controlling shareholder of the Company, and 20% by other members of the Huang's Family. As such, the Vendor is an associate of the controlling shareholder and thus a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

By virtue of the interests of Mr. Huang in the Equity Transfer Agreement, he had abstained from voting in respect of the relevant board resolutions relating to the Equity Transfer Agreement and the Acquisition. Save for the aforesaid, no other Directors has a material interest in the Equity Transfer Agreement and was required to abstain from voting on the Board resolution approving the Equity Transfer Agreement and the Acquisition.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Equity Transfer Agreement and the Acquisition shall abstain from voting on the resolutions to approve the Equity Transfer Agreement and the Acquisition at the EGM. As at the date of this announcement, Mr. Huang and his close associates, namely Great Logistics and Kaiyuan, who together are interested in 310,472,000 Shares, representing approximately

74.81% of the total issued share capital of the Company<sup>(Note)</sup>, will be required to abstain from voting on the relevant resolutions at the EGM accordingly. Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the Equity Transfer Agreement and the Acquisition and will be required to abstain from voting on the relevant resolutions to approve the Equity Transfer Agreement and the Acquisition at the EGM.

## **GENERAL**

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders on whether the Equity Transfer Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Lego Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Equity Transfer Agreement and the Acquisition are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve, among others, the Equity Transfer Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details about the Equity Transfer Agreement and the Acquisition; (ii) a letter of the Independent Board Committee to the Independent Shareholders in relation to the Equity Transfer Agreement and the Acquisition; (iii) a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement and the Acquisition; (iv) a valuation report on the Lands and other property interests of the Target Company; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 11 June 2021 in accordance with the Listing Rules, as additional time is required to prepare certain information to be included in the circular in connection with the Acquisition.

### *Note:*

On 25 January 2021, Actis Investment Holdings Ship Limited and Kaiyuan entered into a sale and purchase agreement, pursuant to which Actis Investment Holdings Ship Limited has conditionally agreed to sell and Kaiyuan has conditionally agreed to purchase 60,000,000 Shares, representing approximately 14.46% of the issued share capital of the Company, at the consideration of HK\$1.95 per Share. As at the date of this announcement, the aforesaid transaction has not completed. In the event that completion has not taken place prior to the date of the EGM, Mr. Huang and his close associates are only entitled to exercise approximately 60.35% voting rights at the EGM.

**The Acquisition is subject to the satisfaction or waiver (as the case may be) of the conditions precedent as set out in the Equity Transfer Agreement and may or may not proceed to Completion. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the entire equity interest in the Target Company by the Purchaser
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“close associate”	has the meaning ascribed to it under the Listing Rules
“Company”	Jiashili Group Limited (嘉士利集團有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1285)
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if appropriate, to approve the Equity Transfer Agreement and the transactions contemplated thereunder
“Equity Transfer Agreement”	the equity transfer agreement entered into among the Purchaser, the Vendor and the Target Company on 10 May 2021 in relation to the Acquisition

“Great Logistics”	Great Logistics Global Limited (鉅運環球有限公司), a company incorporated in the BVI with limited liability and wholly-owned by Mr. Huang
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huang’s Family”	collectively, Mr. Huang and Ms. Huang Cuihong (黃翠紅), his spouse, and Mr. Huang’s sisters, namely Ms. Huang Rujun (黃如君), Ms. Huang Rujiao (黃如嬌) and Ms. Huang Xianxian (黃仙仙), each a controlling shareholder of the Company
“Independent Board Committee”	an independent Board committee comprising all the independent non-executive Directors, namely Mr. Kam Robert, Ms. Ho Man Kay and Mr. Ma Xiaoqiang, which will be established to advise the Independent Shareholders on the Acquisition
“Independent Shareholders”	the Shareholders other than Mr. Huang and his associates
“Jiashili HK”	Jiashili (Hong Kong) Limited (嘉士利(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Kaiyuan”	Kaiyuan Investments Limited (開元投資有限公司), a company incorporated in the BVI with limited liability and a controlling shareholder of the Company
“Lands”	the two parcels of lands situated at No. 43-2 and No. 45 of Long Mei Gong Ye Road, Shuikou Town, Kaiping City, Guangdong Province, PRC (中國廣東省開平市水口鎮龍美工業路), with Immovable Property Certificates of Yue (2018) Kai Ping Shi Immovable Property Rights No.0044548 (不動產權證-粵(2018)開平市不動產權第0044548號) and Yue (2018) Kai Ping Shi Immovable Property Rights No.0044553 (不動產權證-粵(2018)開平市不動產權第0044553號)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Mr. Huang”	Mr. Huang Xianming (黃銑銘), an executive Director, the chairman and a controlling shareholder of the Company
“Parties”	collectively, the Purchaser, the Vendor and the Target Company, being the parties to the Equity Transfer Agreement, and “Party” means any one of them
“PRC”	the People’s Republic of China which, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Jiashili (Hong Kong) Limited (嘉士利(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“sq.m.”	square meter
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guangdong Kangli Food Company Limited* (廣東康力食品有限公司), a company established in the PRC with limited liability
“Vendor”	Koni (Hong Kong) Food Investment Limited (康力(香港)食品投資有限公司), a company incorporated in Hong Kong with limited liability
“Zhongchen”	Guangdong Zhongchen Industrial Holding Co., Ltd.* (廣東中晨實業集團有限公司), a company established in the PRC
“%”	per cent

*In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with “\*” is for identification purpose only.*

*For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.21.*

By Order of the Board  
**Jiashili Group Limited**  
**Huang Xianming**  
Chairman

Hong Kong, 10 May 2021

*As at the date of this announcement, the Board comprises Mr. Huang Xianming, Mr. Tan Chaojun, Mr. Chen Songhuan as executive directors; Mr. Lin Xiao as non-executive director; Mr. Kam Robert, Ms. Ho Man Kay, and Mr. Ma Xiaoqiang as independent non-executive directors.*