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上海大生農業金融科技股份有限公司

Shanghai Dasheng Agriculture Finance Technology Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 1103)

INSIDE INFORMATION

(1) BANKRUPTCY RESTRUCTURING AGAINST A PRC SUBSIDIARY OF THE COMPANY; (2) LEGAL PROCEEDINGS; AND (3) CONTINUED SUSPENSION OF TRADING

This announcement is made by Shanghai Dasheng Agriculture Finance Technology Co., Ltd. (上海大生農業金融科技股份有限公司) (the “**Company**” and its subsidiaries collectively, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BANKRUPTCY RESTRUCTURING

Reference is made to the announcements of the Company dated 11 August 2021, 19 August 2021, 3 September 2021, 22 October 2021 and 26 January 2022 in relation to the bankruptcy restructuring (the “**Bankruptcy Restructuring**”) against Anhui Huaxing Chemical Industry Company Limited* (安徽華星化工有限公司) (“**Anhui Huaxing**” and its subsidiaries collectively “**Anhui Huaxing Group**”), a wholly-owned subsidiary of the Company in the People’s Republic of China (the “**PRC**”).

The proposal of the Bankruptcy Restructuring (the “**Restructuring Proposal**”) as required under the Enterprise Bankruptcy Law has been finalised and proposed at the relevant creditors’ meetings. The Restructuring Proposal mainly comprises the introduction of Qilu Pharmaceutical (Inner Mongolia) Co., Ltd.* (齊魯製藥(內蒙古)有限公司), the intended investor for the Bankruptcy Restructuring (the “**Restructuring Investor**”), to invest not more than RMB651 million in Anhui Huaxing for Anhui Huaxing to settle its debts (including the payment of outstanding bankruptcy proceedings fees, employee claims, tax claims, common benefit debts, assets pledge claims, and the land restoration cost to be incurred as required by the relevant PRC governmental authority). Upon execution of the Restructuring Proposal and following such investment by the Restructuring Investor, the equity interest held by the Company in Anhui Huaxing will be adjusted to zero and Anhui Huaxing will become wholly owned by the Restructuring Investor and cease to be the Company’s subsidiary. Pursuant to Article 94 of the Enterprise Bankruptcy Law, Anhui Huaxing will no longer bear the responsibility for the repayment of debts relieved by the Bankruptcy Restructuring upon the completion of Bankruptcy Restructuring.

The administrator for the Bankruptcy Restructuring (the “**Administrator**”) had confirmed the claim declarations from 169 creditors of Anhui Huaxing in the total amount of approximately RMB1,000 million. The Restructuring Proposal was proposed at the creditors’ meeting held on 10 February 2022 and was not passed at such meeting. Therefore, the Administrator has arranged a second-round voting for the creditors to reconsider the same Restructuring Proposal on 14 February 2022 according to the Enterprise Bankruptcy Law. The Company was informed that the Restructuring Proposal was finally passed by the relevant creditors and approved by the People’s Court of He County, Anhui Province, the PRC (the “**Court**”) pursuant to a civil ruling dated 16 February 2022. The Bankruptcy Restructuring shall complete within six months from the date of such civil ruling.

Impacts on the Group

The Directors confirms that the financial results of Anhui Huaxing Group up to 13 August 2021 (being the date of the civil ruling given by the Court regarding the acceptance of the Bankruptcy Restructuring application) will still be consolidated into those of the Group for the financial year ended 31 December 2021.

In case where the Company’s equity interest in Anhui Huaxing is transferred to the Restructuring Investor upon the Restructuring Proposal becomes effective, the disposal of Anhui Huaxing as stipulated in the Restructuring Proposal and the civil ruling given by the Court would not constitute a “transaction” as defined in Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Since Anhui Huaxing Group contributed substantially all revenue to the overall revenue of the Group, when Anhui Huaxing is no longer a subsidiary of the Company, the Group's business operations and financial position will be materially and adversely affected. The Company is dedicated in resolving the Group's historical financial issues and proactive in exploring possible debt restructuring opportunities, including disposal of loss-making subsidiaries, devising new repayment plans with debtors and reaching out for potential investors. Meanwhile, the Company continues to seek for potential business and investment opportunities with an aim to broaden its source of income, so as to revive the Group's businesses.

The Company will keep the shareholders and the public informed of any major developments in relation to the Bankruptcy Restructuring by issuing further announcement(s) as and when appropriate.

LEGAL PROCEEDINGS

On 22 February 2022, the Company received a statement of claim filed by the Administrator on 24 January 2022 against the Company under the Court for the repayment of the financial assistance given to the Company by Anhui Huaxing in an aggregate principal amount of RMB35.5 million, default interest of approximately RMB13.5 million up to 23 January 2022 and the accrued interests from 24 January 2022 up to the date of repayment (the "**Legal Proceedings**") and all other costs and expenses in relation to the Legal Proceedings. A property preservation has been applied over the equity interests in Anhui Huaxing held by the Company in relation to the Legal Proceedings on 28 January 2022.

Impact of the Legal Proceedings on the Group

The Company is seeking legal advice in respect of the Legal Proceedings and considers that it is not practical to assess its potential impact on the Company at the moment. The Company will actively respond to the action and make further announcement(s) to keep its shareholders and investors informed of any significant development of the Legal Proceedings as and when appropriate.

CONTINUED SUSPENSION OF TRADING

The trading of H Shares of the Company has been suspended from 11 February 2022. The H Shares will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Shanghai Dasheng Agriculture Finance Technology Co., Ltd.
Lan Huasheng
Chairman

Shanghai, PRC, 22 February 2022

As at the date of this announcement, the Board comprises three executive directors: Mr. Lan Huasheng, Mr. Wang Liguo and Mr. Li Wenming; one non-executive director: Mr. Lu Tingfu; and two independent non-executive directors: Mr. Chung Cheuk Ming and Mr. Yang Gaoyu.

** for identification purposes only*