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Dali Foods Group Company Limited

達利食品集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3799)

SHARE PURCHASE PURSUANT TO THE SHARE AWARD SCHEME

The Company announces that, for the purpose of implementing the Scheme, on 13 June 2022, the Trustee purchased an aggregate of 219,600,000 Shares from a third party independent of the Company. The Trustee shall hold such Shares for the benefit of the Eligible Participants for the purpose of the Scheme.

SHARE PURCHASE PURSUANT TO THE SCHEME

Reference is made to the announcement (the “**Announcement**”) of the Company dated 2 December 2021 in relation to the adoption of the Scheme and share purchase pursuant to the Scheme. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

As instructed by the Company, on 13 June 2022, the Trustee purchased an aggregate of 219,600,000 Shares, representing approximately 1.60% of the issued share capital of the Company as at the date of this announcement, from a third party independent of the Company with a total consideration of HK\$878,400,000 and an average consideration of approximately HK\$4 per Share for the purpose of the Scheme (the “**Share Purchase**”). The Trustee shall hold such Shares for the benefit of the Eligible Participants for the purpose of the Scheme.

Considering that (1) the Shares are trading at a level which undervalues the Company’s performance and underlying value, which represents a good opportunity to acquire Shares as reserve for future award of Shares under the Scheme; (2) the Company wishes to purchase a relatively large number of Shares for the Scheme at a more certain and reasonable purchase price; and (3) other factors disclosed in the Announcement, the Directors consider that the terms of the Share Purchase are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As at the date of this announcement, no Shares have been awarded pursuant to the Scheme. The Board will from time to time review and determine at its absolute discretion such number of the Shares to be awarded with such vesting conditions as it may deem appropriate.

By Order of the Board
Dali Foods Group Company Limited
達利食品集團有限公司
Xu Shihui
Chairman

Hong Kong, 13 June 2022

As at the date of this announcement, the Board of the Company comprises Mr. XU Shihui, Mr. ZHUANG Weiqiang, Ms. XU Yangyang and Ms. HUANG Jiaying as executive directors; Ms. XU Biying and Ms. HU Xiaoling as non-executive directors; Mr. NG Kong Hing, Mr. LIU Xiaobin and Dr. LIN Zhijun as independent non-executive directors.