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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)

CHANGE IN SHAREHOLDING STRUCTURE OF CONTROLLING SHAREHOLDER

The Board was informed by Mr. Xu, the Xu's Family Trust and the New Xu's Family Trust on September 30, 2022 that, for family wealth and succession planning purposes, the following steps of the Restructuring have been taken:

- (a) on September 27, 2022, Mr. Xu established the New Xu's Family Trust, and the Trustee (in its capacity as the trustee of the Xu's Family Trust) transferred 100% equity interests of Company A to Mr. Xu (in his capacity as a beneficiary of the Xu's Family Trust) at nil consideration as a distribution from the trust fund of the Xu's Family Trust;
- (b) on September 28, 2022, Mr. Xu (in his capacity as the settlor of the New Xu's Family Trust) transferred 100% equity interests of Company A to the Trustee (in its capacity as the trustee of the New Xu's Family Trust) at par value, i.e. US\$1.00; and
- (c) on September 29, 2022, Mr. Xu (in his capacity as the settlor of the New Xu's Family Trust) transferred 24% equity interests of Divine Foods-1 to Company A at par value, i.e. US\$24.00.

Upon completion of the Restructuring: (1) Company A is wholly owned by the Trustee in its capacity as the trustee for the New Xu's Family Trust; (2) Mr. Xu holds 74% equity interests in Divine Foods-1; and (3) the New Xu's Family Trust, via the Trustee and Company A, holds 26%, 100% and 100% equity interests in Divine Foods-1, Divine Foods-2 and Divine Foods-3, respectively. Divine Foods-1, Divine Foods-2 and Divine Foods-3 holds 50%, 10% and 40% equity interests respectively in Divine Foods, which directly holds 11,640,000,000 Shares, representing 85% of the issued share capital of the Company, as at the date of this announcement.

As Mr. Xu has acquired 85% of the issued share capital of the Company during the process of the Restructuring, an application has been made to the SFC for a waiver from the obligations of Mr. Xu to make a general offer for all the Shares as a result of the Restructuring and the Executive has granted a waiver from making a general offer pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in favour of Mr. Xu in this regard.

THE RESTRUCTURING

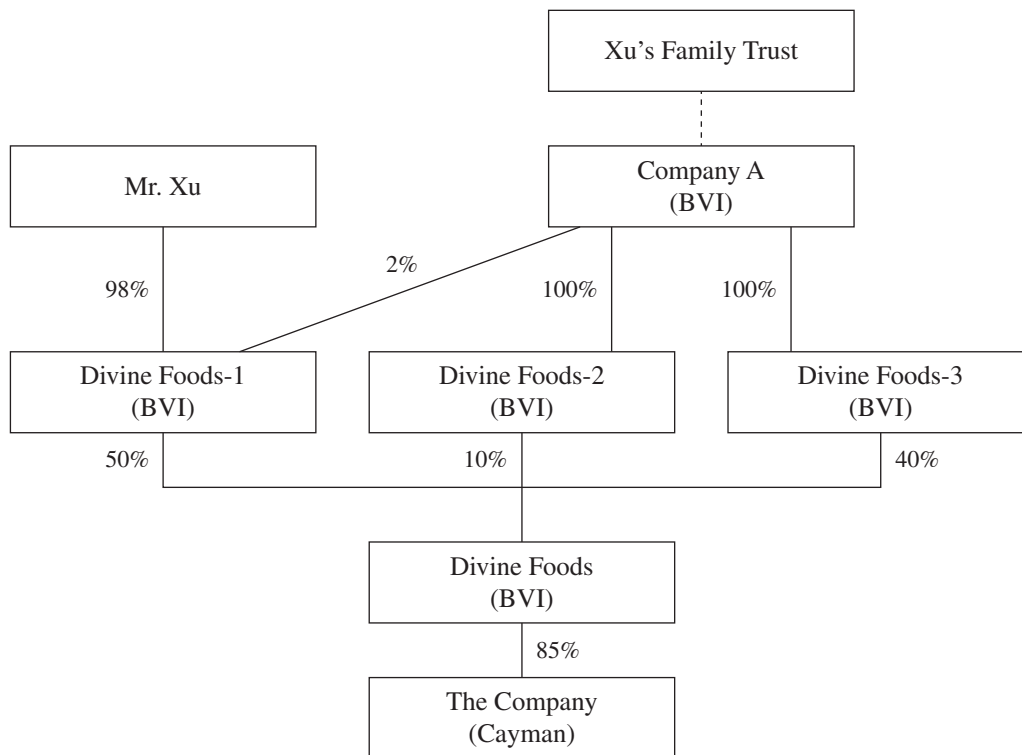
The Board was informed by Mr. Xu, the Xu's Family Trust and the New Xu's Family Trust on September 30, 2022 that, for family wealth and succession planning purposes, the following steps of the Restructuring have been taken:

- (a) on September 27, 2022, Mr. Xu established the New Xu's Family Trust, and the Trustee (in its capacity as the trustee of the Xu's Family Trust) transferred 100% equity interests of Company A to Mr. Xu (in his capacity as a beneficiary of the Xu's Family Trust) at nil consideration as a distribution from the trust fund of the Xu's Family Trust;
- (b) on September 28, 2022, Mr. Xu (in his capacity as the settlor of the New Xu's Family) transferred 100% equity interests of Company A to the Trustee (in its capacity as the trustee of the New Xu's Family Trust) at par value, i.e. US\$1.00; and
- (c) on September 29, 2022, Mr. Xu (in his capacity as the settlor of the New Xu's Family Trust) transferred 24% equity interests of Divine Foods-1 to Company A at par value, i.e. US\$24.00.

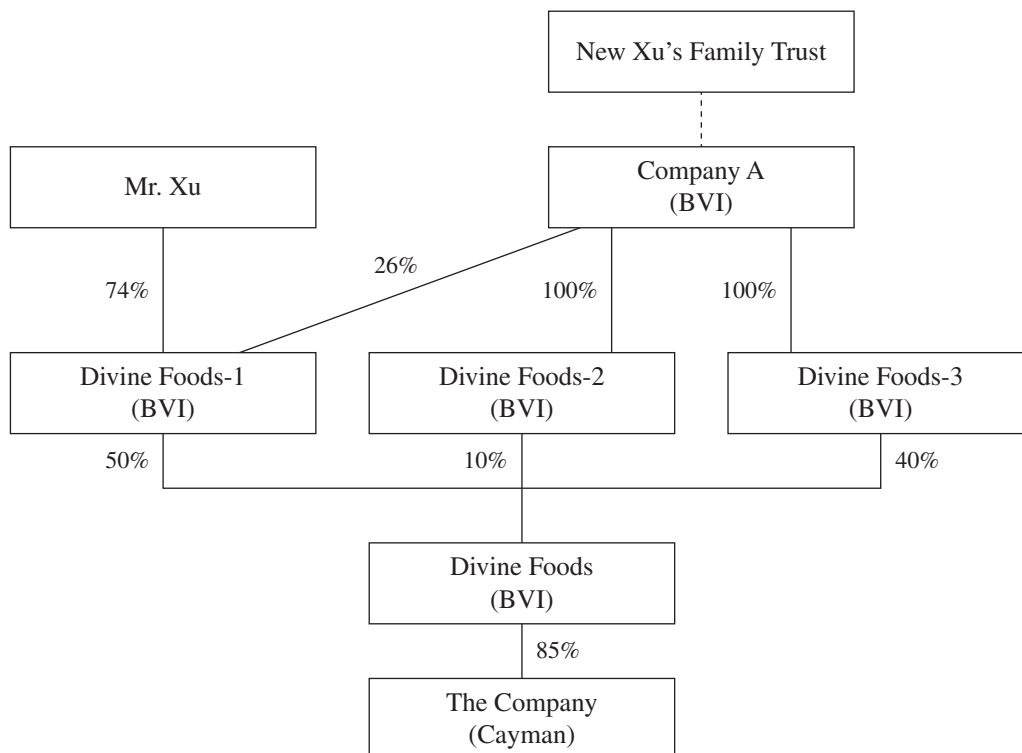
Upon completion of the Restructuring: (1) Company A is wholly owned by the Trustee in its capacity as the trustee for the New Xu's Family Trust; (2) Mr. Xu holds 74% equity interests in Divine Foods-1; and (3) the New Xu's Family Trust, via the Trustee and Company A, holds 26%, 100% and 100% equity interests in Divine Foods-1, Divine Foods-2 and Divine Foods-3 (collectively the "**Relevant DF Shares**"), respectively. Divine Foods-1, Divine Foods-2 and Divine Foods-3 holds 50%, 10% and 40% equity interests respectively in Divine Foods, which directly holds 11,640,000,000 Shares, representing 85% of the issued share capital of the Company, as at the date of this announcement.

The shareholding structures of the Company immediately before and after the Restructuring are as follows:

Immediately before the Restructuring



Immediately after completion of the Restructuring



INFORMATION ON COMPANY A, THE TRUSTEE AND THE NEW XU'S FAMILY TRUST

Company A is an investment holding company incorporated in the BVI and the underlying trust company to hold the Relevant DF Shares. Company A is wholly-owned by the Trustee in its capacity as the trustee for the New Xu's Family Trust.

The Trustee is a company incorporated in the BVI and a professional trust company independent of Xu's Family.

The New Xu's Family Trust is a discretionary trust established by Mr. Xu as the settlor and the Trustee as the trustee. Xu's Family are beneficiaries of the New Xu's Family Trust.

REASONS FOR AND EFFECT OF THE RESTRUCTURING

As advised by Xu's Family, the Restructuring was made for family wealth and succession planning purposes. The Restructuring does not involve any change in composition of the board of directors of each of the Company, Divine Foods, Divine Foods-1, Divine Foods-2, Divine Foods-3 and Company A respectively. Mr. Xu will remain as the chairman, the chief executive officer and an executive Director, and Ms. Xu will remain as an executive Director, of the Company after the Restructuring. The Restructuring has no effect on the business and operation of the Group.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As Mr. Xu has acquired 85% of the issued share capital of the Company during the process of the Restructuring, an application has been made to the SFC for a waiver from the obligations of Mr. Xu to make a general offer for all the Shares as a result of the Restructuring and the Executive has granted a waiver from making a general offer pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in favour of Mr. Xu in this regard.

DEFINITIONS

In this announcement, unless it is defined or the context requires otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Dali Foods Group Company Limited 達利食品集團有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

“Company A”	Hi-Tiger Limited, an investment holding company incorporated in the BVI wholly-owned by the Trustee, and the underlying trust company which holds 2%, 100% and 100% equity interests in Divine Foods-1, Divine Foods-2 and Divine Foods-3 respectively before the Restructuring and 26%, 100% and 100% equity interests in Divine Foods-1, Divine Foods-2 and Divine Foods-3 respectively after the Restructuring
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Divine Foods”	Divine Foods Limited, a company incorporated in the BVI on November 4, 2014, the immediate holding company of 11,640,000,000 Shares and a controlling shareholder of the Company, which is owned as to 50%, 10% and 40% by Divine Foods-1, Divine Foods-2 and Divine Foods-3 respectively
“Divine Foods-1”	Divine Foods-1 Limited, a limited company incorporated in the BVI on November 4, 2014, 98% and 2% equity interests of which were held by Mr. Xu and Company A respectively before the Restructuring and 74% and 26% equity interests of which were held by Mr. Xu and Company A respectively after the Restructuring
“Divine Foods-2”	Divine Foods-2 Limited, a limited company incorporated in the BVI on November 4, 2014 wholly-owned by Company A before and after the Restructuring
“Divine Foods-3”	Divine Foods-3 Limited, a limited company incorporated in the BVI on November 4, 2014 wholly-owned by Company A before and after the Restructuring
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Xu”	Mr. Xu Shihui (許世輝先生), the chairman, the chief executive officer, an executive Director and a controlling shareholder of the Company
“Ms. Chen”	Ms. Chen Liling (陳麗玲女士), the spouse of Mr. Xu
“Ms. Xu”	Ms. Xu Yangyang (許陽陽女士), an executive Director, the vice president of the Company, and the daughter of Mr. Xu and Ms. Chen

“New Xu’s Family Trust”	a discretionary trust established by Mr. Xu in 2022 for which the Trustee acts as the trustee and Xu’s Family are the beneficiaries of the trust at the time of establishment
“Restructuring”	(i) the establishment of the New Xu’s Family Trust; (ii) the transfer of 100% equity interests of Company A by the Trustee (in its capacity as the trustee of the Xu’s Family Trust) to Mr. Xu; (iii) the transfer of 100% equity interests of Company A by Mr. Xu to the Trustee (in its capacity as the trustee of the New Xu’s Family Trust); and (iv) the transfer of 24% equity interests in Divine Foods-1 by Mr. Xu to the Trustee
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trustee”	Cantrust (Far East) Limited, a company incorporated in the BVI, the trustee of the Xu’s Family Trust and the New Xu’s Family Trust
“Xu’s Family”	Mr. Xu, Ms. Chen and Ms. Xu
“Xu’s Family Trust”	a discretionary trust established by Ms. Chen in 2018 for which the Trustee acted as the trustee and Xu’s Family were the beneficiaries of the trust at the time of establishment
“%”	per cent

By Order of the Board
Dali Foods Group Company Limited
Xu Shihui
Chairman

Hong Kong, September 30, 2022

As at the date of this announcement, the Board comprises Mr. XU Shihui, Mr. ZHUANG Weiqiang and Ms. XU Yangyang and Ms. HUANG Jiaying being the 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.