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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)

PROPOSED APPROVAL OF BANKRUPTCY RESTRUCTURING PROPOSAL INVOLVING ISSUE OF H SHARES UNDER SPECIFIC MANDATE

PROPOSED APPROVAL OF BANKRUPTCY RESTRUCTURING PROPOSAL INVOLVING ISSUE OF H SHARES UNDER SPECIFIC MANDATE

The Administrator will submit the Bankruptcy Restructuring Proposal involving the issue of not more than 200,000,000 New H Shares under the Specific Mandate to the Shareholders' Meeting for consideration and approval in accordance with the relevant provisions in the Articles of Association. The New H Shares will be distributed among the creditors who elect to settle the debts by way of loan capitalisation on the basis of the relative proportion of their respective admitted claims as compared to the total admitted claims under the Bankruptcy Restructuring (which shall be subject to the determination and adjudication by the Administrator), disregarding fractions, credited as fully paid.

GENERAL

The approval of the Bankruptcy Restructuring Proposal involving H Shares Issue under the Specific Mandate is subject to the Shareholders' approval at the Shareholders' Meetings.

A circular containing, among other things, details of the proposed approval of bankruptcy restructuring proposal involving the H Shares Issue under Specific Mandate, together with notices of the EGM and the Class Meetings, will be despatched to the Shareholders on or before 16 May 2023.

PROPOSED APPROVAL OF BANKRUPTCY RESTRUCTURING PROPOSAL INVOLVING ISSUE OF H SHARES UNDER SPECIFIC MANDATE

Bankruptcy Restructuring

Reference is made to the announcements of the Company dated 9 March 2023, 15 March 2023 and 10 April 2023 in relation to the Bankruptcy Restructuring of the Company. The Court gave a civil ruling on 19 January 2023 that it has accepted the Bankruptcy Restructuring application against the Company and appointed BDO China Shu Lun Pan Certified Public Accountants LLP as the Administrator for the Bankruptcy Restructuring of the Company on 3 February 2023. The Administrator has confirmed the qualification of restructuring investors, from which a Bankruptcy Restructuring Proposal was submitted in the first creditors' meeting held on 18 April 2023. As at the date of this announcement, the Company has been entered into the Bankruptcy Restructuring and reached a constructive progress on resolving its debts and the resumption of trading of its H Shares.

Bankruptcy Restructuring Proposal

As at 4 April 2023, the Company has total indebtedness of approximately RMB3,458 million, among which, secured claims and ordinary claims amounted to approximately RMB3,393 million. This figure is indicative only and will be subject to final determination by the Administrator and (if applicable) adjudication under the Bankruptcy Restructuring. It is envisaged that the Company will restructure part of its debts by way of cash consideration and loan capitalisation, where creditors of secured claims and ordinary claims of the Company would be entitled to elect between cash consideration or New H Shares on a pro rata basis mainly based on the amounts of their claims confirmed by the Court under the Bankruptcy Restructuring and the total amount of the ordinary claims.

As at the date of this announcement, all existing creditors of the Company are Independent Third Parties. As far as the Company is aware, no creditors held any Shares.

It is proposed that New H Shares comprising no more than 200,000,000 H Shares to be distributed among the creditors who elect to settle the debts by way of loan capitalisation on the basis of the relative proportion of their respective admitted claims as compared to the total admitted claims under the Bankruptcy Restructuring (which shall be subject to the determination and adjudication by the Administrator), disregarding fractions, credited as fully paid.

The total indebted amount of RMB3,458 million owed to the creditors by the Company shall be capitalised by way of issuing a maximum of 200,000,000 New H Shares, which represents the maximum settlement of debt of approximately RMB17.29 per New H Share.

If the Bankruptcy Restructuring Proposal is approved by the Shareholders and subsequently approved by the Court, the Administrator will take steps to adjudicate the claims and to distribute the cash consideration and New H Shares of the amount stipulated in the Bankruptcy Restructuring Proposal to the creditors on a pro rata basis based on the amounts of their admitted claims and elected way of debt settlement under the Bankruptcy Restructuring. Accordingly, all claims against the Company shall be released and discharged in full by virtue of the implementation of the Bankruptcy Restructuring.

Proposed Issue of H Shares under Specific Mandate under the Bankruptcy Restructuring Proposal

1. Number of H Shares to be issued

The number of New H Shares proposed to be issued shall be no more than 200,000,000 H Shares (inclusive).

As at the date of this announcement, the total number of issued Shares of the Company is 9,551,079,812 Shares, comprising 6,202,079,812 H Shares and 3,349,000,000 Domestic Shares, representing 64.94% and 35.06% of the total issued share capital of the Company, respectively. Assuming the maximum of 200,000,000 New H Shares are allotted and issued by the Company under the Specific Mandate, such New H Shares represent approximately 3.22% and 2.09% of the total number of H Shares in issue and the total number of Shares in issue as at the date of this announcement, respectively, and approximately 3.12% and 2.05% of the enlarged total number of H Shares in issue and the enlarged total number of Shares in issue after the H Shares Issue, respectively.

2. Type of the Shares to be issued

The New H Shares are the ordinary shares with a nominal value of RMB0.10 each. Unless otherwise stated in the applicable laws and rules and the Articles of Association, all the New H Shares will rank *pari passu* with all other H Shares as at the date of the H Shares Issue in all respects upon issue and being paid up.

3. Method of issue

The H Shares Issue will be made under the Specific Mandate as granted by the Shareholders' Meetings for debt settlement by way of loan capitalisation. After the New H Shares are issued and listed on the Stock Exchange, the Company will file with the regulatory authorities in the PRC in accordance with the relevant applicable laws and regulations, including the filing with the CSRC.

4. Lock-up period

The New H Shares shall be subject to a lock-up period of 24 months starting from the date of issue; upon expiry of such period, all New H Shares will be free for transfer, sale and disposal.

5. Background of the subscribers

As at the date of this announcement, all existing creditors are Independent Third Parties. As far as the Company is aware, no creditors held any Shares as at the date of this announcement. Upon completion of the H Shares Issue, it is expected that none of the subscribers will become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

6. *Settlement of debt per New H Share*

The settlement of debt per New H Share is RMB17.29 per H Share (equivalent to approximately HKD19.54 per H Share), which represents:

- (i) a premium of approximately 139,471.43% to the closing price of HKD0.014 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 147,930.30% to the average closing price of HKD0.0132 per H Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 145,720.90% to the average closing price of HKD0.0137 per H Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

7. *Validity period of the resolution for the Specific Mandate*

The resolution for the Specific Mandate will be valid for 12 months since the date of approval of such resolution at the Shareholders' Meetings. The Board and the Administrator should carry out the H Shares Issue within the validity period of the Specific Mandate. The Board and the Administrator may propose to the Shareholders' Meetings for considering and approving (if thought fit) the extension of the validity period of the resolution in relation to the H Shares Issue based on actual conditions.

8. *Conditions for the H Shares Issue*

The H Shares Issue is conditional upon:

- (i) the approval of the Bankruptcy Restructuring Proposal by the subsequent sanction without modification by the Court;
- (ii) the fulfillment of Resumption Guidance and full compliance with the Listing Rules to the Stock Exchange's satisfaction for the resumption of trading in the Company's shares; and
- (iii) the Listing Committee granting its approval of the listing of, and permission to deal in, all of the New H Shares to be issued and allotted pursuant to the H Shares Issue and such approval not having been revoked or cancelled prior to the H Shares Issue.

The above conditions may not be waived by the Company and had not yet been satisfied as at the date of this announcement.

9. *Application for listing*

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the New H Shares on the Stock Exchange. The New H Shares will not be listed or traded on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or proposed to be sought.

10. *Amendments to the Articles of Association*

The Board and the Administrator will seek the Shareholders' authorisation at the Shareholders' Meetings to amend the registered capital and shareholding structure of the Company stated in the Articles of Association in accordance with the actual results of the H Shares Issue and deal with the relevant registration and filing procedures with the relevant industry and commerce administration authorities.

11. *Other relevant authorisation*

The Board and the Administrator will seek the Shareholders' authorisation at the Shareholders' Meetings to deal with all the matters with full authority in relation to the H Shares Issue under the framework and principles and within the validity period of the resolution on the H Shares Issue under Specific Mandate. Such matters include but not limited to:

- (i) within the scope permitted under the laws, regulations and other regulatory documents and the Articles of Association, based on the requirements of domestic and overseas regulatory bodies and the Stock Exchange, to make necessary adjustments and supplements to the plan of the H Shares Issue, and to formulate and implement the final plan of the H Shares Issue in light of the actual circumstances of the Company;
- (ii) to approve and amend, supplement, sign, submit, present, and execute all the agreements, contracts and other documents regarding the H Shares Issue on behalf of the Company; and
- (iii) to exercise the full power to handle all other relevant matters relating to the H Shares Issue.

The authorisation period of the above authorised matters to be continued or implemented after the completion of the H Shares Issue commences from the date of grant of the Specific Mandate by the Shareholders' Meetings and ends on the date of completion of the relevant matters.

Effect on Shareholding Structure of the Company

As at the date of this announcement, the total number of issued shares of the Company is 9,551,079,812 Shares, comprising 6,202,079,812 H Shares and 3,349,000,000 Domestic Shares.

Assuming the number of New H Shares to be issued is 200,000,000 and there are no other changes in the issued share capital of the Company, set out below is the shareholding structure of the Company: (i) as at the date of this announcement and (ii) immediately after the completion of the H Shares Issue:

Class of Shares	As at the date of this announcement		Immediately upon Completion of the H Shares Issue	
	Number of Shares	%	Number of Shares	%
Domestic Shares				
— Shenzhen Dasheng Agricultural Group Co., Ltd.	1,818,013,540	19.04	1,818,013,540	18.64
— Zhenjiang Runde Equity Investment Fund Ltd.	<u>1,530,986,460</u>	<u>16.03</u>	<u>1,530,986,460</u>	<u>15.70</u>
Total Domestic Shares	<u>3,349,000,000</u>	<u>35.07</u>	<u>3,349,000,000</u>	<u>34.34</u>
H Shares				
— Creditors of the Company	—	—	200,000,000	2.05
— Hong Kong Dasheng Investment Holdings Company Limited	247,000,000	2.59	247,000,000	2.53
— Pu Shi International Investment Limited	755,000,000	7.90	755,000,000	7.74
— Other public holders of H Shares	<u>5,200,079,812</u>	<u>54.44</u>	<u>5,200,079,812</u>	<u>53.33</u>
Total H Shares	<u>6,202,079,812</u>	<u>64.93</u>	<u>6,402,079,812</u>	<u>65.66</u>
Total issued Shares:	<u>9,551,079,812</u>	<u>100.00</u>	<u>9,751,079,812</u>	<u>100.00</u>

Note: The aggregate percentage may not sum to total due to rounding.

IMPLICATIONS UNDER THE LISTING RULES

The Administrator will submit the Bankruptcy Restructuring Proposal involving H Shares Issue under the Specific Mandate to the Shareholders' Meetings for consideration and approval in accordance with the relevant provisions in the Articles of Association and the Listing Rules. As at the date of this announcement, to the best knowledge, information and belief of the Directors and the Administrator, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the special resolution to be proposed at the Shareholders' Meetings.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activity in the 12 months preceding the date of this announcement.

GENERAL

The approval of Bankruptcy Restructuring Proposal involving H Shares Issue under the Specific Mandate is subject to the Shareholders' approval at the Shareholders' Meetings.

In accordance with the Enterprise Bankruptcy Law, where a bankruptcy restructuring proposal involves the adjustment of the rights and interests of the capital contributors, a group of capital contributors shall be formed to vote on the matter. As the Bankruptcy Restructuring Proposal involves adjustment of the rights and interests of capital contributors, the Administrator initiated and the Company proposed to convene the EGM and the Class Meetings, which will also be the capital contributors group meeting under the Enterprise Bankruptcy Law, to approve the Bankruptcy Restructuring Proposal involving issue of H Shares under Specific Mandate.

A circular containing, among other things, details of the proposed approval of bankruptcy restructuring proposal involving the H Shares Issue under Specific Mandate, together with notices of the EGM and the Class Meetings, will be despatched to the Shareholders on or before 16 May 2023.

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 shall note that, in the event that the Company fails to satisfy all of the Resumption Guidance imposed by the Stock Exchange by 10 August 2023, the Listing Division of the Stock Exchange may recommend the Listing Committee to proceed with the cancellation of the Company's listing status at its discretion.

Publication of this announcement does not indicate any decision or conclusion of the Stock Exchange not to delist the Company nor warrant any approval from the Stock Exchange on the resumption of trading of the Shares on the Stock Exchange.

Shareholders and potential investors should be aware that the H Shares Issue is subject to the approval at the Shareholders' Meetings and by the regulatory institutions (including but not limited to the Stock Exchange). Therefore, the H Shares Issue may or may not proceed. Accordingly, you are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, the following expression in this announcement shall have the following meanings:

“Administrator”	BDO China Shu Lun Pan Certified Public Accountants LLP, the administrator of the Company appointed by the Court for the purpose of the Bankruptcy Restructuring
“Articles of Association”	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
“Bankruptcy Restructuring”	the bankruptcy restructuring procedure of the Company pursuant to the Court’s civil ruling dated 19 January 2023
“Bankruptcy Restructuring Proposal”	the bankruptcy restructuring proposal submitted by the restructuring investors to the Court on 31 March 2023 which involves the H Shares Issue
“Board”	the board of Directors
“Class Meetings”	the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting
“Company”	Shanghai Dasheng Agriculture Finance Technology Co., Ltd. (上海大生農業金融科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 1103)
“Court”	the Shanghai Third Intermediate People’s Court
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	the ordinary domestic share(s) of the Company with a nominal value of RMB0.10 each in the share capital of the Company
“Domestic Shareholders Class Meeting”	the 2023 first class meeting of the holders of Domestic Shares to be held for the purposes of approving, among other things, the H Shares Issue under Specific Mandate under the Bankruptcy Restructuring Proposal
“EGM”	the 2023 first extraordinary general meeting of the Company to be held for the purposes of approving, among other things, the H Shares Issue under Specific Mandate under the Bankruptcy Restructuring Proposal

“Enterprise Bankruptcy Law”	Enterprise Bankruptcy Law of the People’s Republic of China (中華人民共和國破產法)
“H Share(s)”	the overseas listed foreign share(s) with a nominal value of RMB0.10 each in the share capital of the Company which are listed on the Stock Exchange and are traded in Hong Kong dollars
“H Shareholders Class Meeting”	the 2023 first class meeting of the holders of H Shares to be held for the purposes of approving, among other things, the H Shares Issue under Specific Mandate under the Bankruptcy Restructuring Proposal
“H Shares Issue”	the proposed issue of not more than 200,000,000 New H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKD”	the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of, not connected or acting in concert (as defined in the Takeovers Code) with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries and any of their respective associates
“Last Trading Day”	10 February 2022, being the last trading day prior to the suspension of trading of the H Shares on the Stock Exchange
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New H Shares”	new H Shares to be allotted and issued under the H Shares Issue pursuant to the Specific Mandate
“PRC”	the People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Resumption Guidance”	the resumption guidance from the Stock Exchange as stipulated in the announcement of the Company dated 29 April 2022 and the additional resumption guidance from the Stock Exchange as stipulated in the announcement of the Company dated 3 April 2023
“RMB”	the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or H Share(s)

“Shareholder(s)”	the registered holder(s) of the Shares
“Shareholders’ Meeting(s)”	the EGM and the Class Meetings
“Specific Mandate”	the specific mandate proposed to be granted by the Shareholders to the Board at the Shareholders’ Meetings in respect of the H Shares Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

**Administrator of
Shanghai Dasheng Agriculture Finance
Technology Co., Ltd.**

Shanghai, PRC, 16 May 2023

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