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**RONGSHI INTERNATIONAL
INVESTMENT CO., LTD.**

(Incorporated in the British Virgin Islands with limited liability)

**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)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF DALI FOODS GROUP
COMPANY LIMITED BY RONGSHI INTERNATIONAL INVESTMENT
CO., LTD BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT)**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
DALI FOODS GROUP COMPANY LIMITED**

(3) SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT

**(4) RESULTS OF COURT MEETING AND GENERAL MEETING
AND**

CLOSURE OF REGISTER OF MEMBERS

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



RESULTS OF COURT MEETING AND GENERAL MEETING

On Wednesday, 23 August 2023, the Scheme was approved by the Scheme Shareholders at the Court Meeting.

On Wednesday, 23 August 2023, among other things, (i) a special resolution to approve and give effect to the Scheme and any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares and (ii) an ordinary resolution to simultaneously maintain the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled, credited as fully paid, for issuance to the Offeror, and to approve the Rollover Arrangement, were approved by the Shareholders at the General Meeting.

EXPECTED LATEST TIME FOR TRADING OF SHARES ON THE STOCK EXCHANGE

The expected latest time for trading in the Shares on the Stock Exchange is 4:10 p.m. on Thursday, 24 August 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Wednesday, 30 August 2023.

INTRODUCTION

References are made to the scheme document jointly issued by Rongshi International Investment Co., Ltd. (the “**Offeror**”) and Dali Foods Group Company Limited (the “**Company**”) on 31 July 2023 (the “**Scheme Document**”) in relation to among other things, the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act. Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held at Room 2601, 26th Floor, One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Wednesday, 23 August 2023 at 10:00 a.m. (Hong Kong time). Scheme Shareholders who were present either in person or by proxy were entitled to vote in respect of all of their Scheme Shares. In compliance with both section 86 of the Companies Act and Rule 2.10 of the Takeovers Code, the approval required to be obtained at the Court Meeting in respect of the Scheme would be regarded as obtained if:

- (1) the Scheme was approved (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;

- (2) the Scheme was approved (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Disinterested Shares that were voted either in person or by proxy at the Court Meeting; and
- (3) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting was not more than 10% of the votes attaching to all the Disinterested Shares.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

Court Meeting	Number of votes cast in person or by proxy		
	Total	For	Against
Number of the Scheme Shares voted by the Scheme Shareholders who were present and voting (Approximate %) (Note)	1,158,678,734 (100.00%)	1,041,399,302 (89.88%)	117,279,432 (10.12%)
Number of votes attaching to the Disinterested Shares held by the Disinterested Shareholders that were voted (Approximate %) (Note)	1,158,678,734 (100.00%)	1,041,399,302 (89.88%)	117,279,432 (10.12%)
Approximate percentage of (i) the number of votes cast by the Disinterested Shareholders against the Scheme over (ii) the number of votes attaching to all the Disinterested Shares held by the Disinterested Shareholders (being 1,521,790,000 Shares) (Note)			7.71%

Note: The percentage figures are rounded to two decimal places.

Accordingly, the resolution proposed at the Court Meeting to approve the Scheme was duly passed in accordance with the requirements of both section 86 of the Companies Act and Rule 2.10 of the Takeovers Code.

As at the date of the Court Meeting: (1) the total number of Shares in issue was 13,694,117,500 Shares; (2) the total number of Scheme Shares was 13,161,790,000, representing 96.11% of the issued share capital of the Company; and (3) under the Takeovers Code, the total number of Scheme Shares entitled to be voted at the Court Meeting in respect of the Scheme was 1,521,790,000, representing 11.11% of the issued share capital of the Company.

As at 27 June 2023 (being the Announcement Date) and the date of the Court Meeting (being the date of this joint announcement), the Offeror and Offeror Concert Parties, including the Founder, DF and the Trustee, held, controlled or directed 12,172,327,500 Shares, representing approximately 88.89% of the issued Shares as at the date of the Court Meeting. As (i) DF had undertaken to the Grand Court that it would not attend nor vote at the Court Meeting and would procure that any Shares in respect of which it was beneficially interested would not be represented or voted at the Court Meeting, and (ii) the Trustee Shares did not form part of the Scheme Shares, such Shares have not been voted at the Court Meeting.

As disclosed in the Scheme Document, Shares held by any member of the CICC group acting in the capacity of an exempt principal trader connected with the Offeror or the Company shall not be voted at the Court Meeting in accordance with the requirement of Rule 35.4 of the Takeovers Code, except that Shares held by any member of the CICC group in the capacity of an exempt principal trader for and on behalf of non-discretionary investment clients shall not be voted at the Court Meeting unless otherwise confirmed with the Executive. Shares held by members of the CICC group acting in the capacity of exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the General Meeting if (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares, and all voting instructions originate from the client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader). Accordingly, each member of the CICC group which is an exempt principal trader did not exercise the voting rights attached to the Shares held in its name (other than those Shares held by such exempt principal trader as a simple custodian for and on behalf of non-discretionary clients who, to the extent it is aware having made reasonable enquiries, are entitled to vote at the Court Meeting and who have given voting instructions, and over which such exempt principal trader has no voting discretion) in respect of the resolution to approve the Scheme at the Court Meeting and the resolution to approve the Rollover Arrangement at the General Meeting.

Save as disclosed above, no Scheme Shareholder was required to abstain from voting on the Scheme at the Court Meeting in accordance with the Takeovers Code or the Listing Rules (including Rule 13.40 of the Listing Rules) nor did any Scheme Shareholder indicate in the Scheme Document that he/she/it intended to abstain from voting on or voting against the Scheme at the Court Meeting.

The Company's Hong Kong share registrar, Link Market Services (Hong Kong) Pty Limited acted as the scrutineer for the vote-taking at the Court Meeting.

All Directors attended the Court Meeting.

RESULTS OF THE GENERAL MEETING

The General Meeting was held at Room 2601, 26th Floor, One Harbourfront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong, on Wednesday, 23 August 2023, immediately after the conclusion of the Court Meeting, for the purpose of considering and, if thought fit, passing the special resolution and the ordinary resolutions set out in the notice of the General Meeting.

The poll results in respect of the special resolution and the ordinary resolutions proposed at the General Meeting were as follows:

	Number of votes cast in person or by proxy <i>(Approximate %) (Note 2)</i>		
Special Resolution	Total	For	Against
1. To approve and give effect to the Scheme and any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares <i>(Note 1)</i>	1,423,122,229 (100.00%)	1,306,647,985 (91.82%)	116,474,224 (8.18%)
Ordinary Resolution	Total	For	Against
2. To approve the simultaneous maintenance of the issued share capital of the Company as more particularly set out in the notice of the General Meeting; to authorise any one of the directors of the Company to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme; to approve the withdrawal of listing of Shares; and to approve the Rollover Arrangement which constitutes a special deal under Rule 25 of the Takeovers Code <i>(Note 1)</i>	1,153,116,230 (100.00%)	1,042,194,986 (90.38%)	110,921,244 (9.62%)

Notes:

1. The full text of the resolution is set out in the notice of the General Meeting, which is included in the Scheme Document despatched to the Scheme Shareholders.
2. The percentage figures are rounded to two decimal places.

Accordingly, at the General Meeting:

- (1) the special resolution to approve and give effect to the Scheme and any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares was duly passed by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting; and
- (2) the ordinary resolution to approve the simultaneous maintenance of the issued share capital of the Company as more particularly set out in the notice of the General Meeting; to authorise any one of the directors of the Company to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme; to approve the withdrawal of listing of Shares; and to approve the Rollover Arrangement was duly passed by more than 50% of the votes cast by the Shareholders or the Disinterested Shareholders (as the case may be) present and voting (either in person or by proxy) at the General Meeting.

The total number of Shares entitling the Shareholders to attend and vote for or against special resolution 1 was 13,161,790,000. The total number of Shares entitling the Shareholders to attend and vote for or against ordinary resolution 2 above either in person or by proxy at the General Meeting was 1,521,790,000. Save that (1) DF abstained from voting on ordinary resolution to approve the Rollover Arrangement and (2) the Trustee did not vote at the General Meeting as it may not exercise the voting rights in respect of the Trustee Shares held by it in accordance with the rules of the Share Award Scheme, no Shareholder was required to abstain from voting on the resolutions at the General Meeting in accordance with the Takeovers Code or the Listing Rules (including Rule 13.40 of the Listing Rules) nor did any person indicate in the Scheme Document that he/she/it intended to abstain from voting on or voting against the resolutions at the General Meeting.

The Company's Hong Kong share registrar, Link Market Services (Hong Kong) Pty Limited, acted as the scrutineer for the vote-taking at the General Meeting.

All Directors attended the General Meeting.

EXPECTED LATEST TIME FOR TRADING OF SHARES ON THE STOCK EXCHANGE

The expected latest time for trading of the Shares on the Stock Exchange is 4:10 p.m. on Thursday, 24 August 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Wednesday, 30 August 2023 onwards. No transfer of Shares will be effected as from such date.

CURRENT STATUS OF THE CONDITIONS TO THE PROPOSAL AND THE SCHEME

As at the date of this joint announcement, the Proposal remains, and the Scheme will become effective and binding on the Company and all Shareholders subject to the fulfilment or waiver (as applicable) of the Conditions (other than Conditions (1), (2) and (5) which have been satisfied) as set out in the section headed "4. Conditions to the Proposal and the Scheme" in the Explanatory Memorandum forming part of the Scheme Document.

Subject to such Conditions being fulfilled or waived (as applicable), the Scheme and the Rollover Arrangement are expected to become effective on Wednesday, 30 August 2023 (Cayman Islands time). As at the date of this joint announcement, the Offeror and the Company are not aware of any facts or circumstances which would lead to the Conditions not being fulfilled.

PROPOSED WITHDRAWAL OF THE LISTING OF THE SHARES

If the Proposal becomes unconditional and the Scheme becomes effective, the Company expects to withdraw the listing of the Shares on the Stock Exchange at 9:00 a.m. on Friday, 1 September 2023.

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

**Hong Kong Time unless
indicated otherwise**

Expected latest time for trading in the Shares
on the Stock Exchange 4:10 p.m. on
24 August 2023

Latest time for lodging transfer of Shares in order to
qualify for entitlements under the Scheme 4:30 p.m. on
29 August 2023

Register of members of the Company closed for determining
Scheme Shareholders qualified for entitlements to the
Cancellation Price under the Scheme (*Note 1*) From 30 August 2023
onwards

Grand Court hearing of the petition to sanction the Scheme 29 August 2023
(Cayman Islands time)

Announcement of the results of the Grand Court hearing
of the petition to sanction the Scheme, the expected
Effective Date and the expected date of withdrawal
of listing of Shares on the Stock Exchange..... At or before 8:30 a.m. on
30 August 2023

**Hong Kong Time unless
indicated otherwise**

Scheme Record Date 30 August 2023

Effective Date (*Note 2*)..... 30 August 2023
(Cayman Islands time)

Announcement of the Effective Date and the withdrawal of
listing of the Shares on the Stock Exchange..... At or before 8:30 a.m. on
31 August 2023

Expected withdrawal of the listing of Shares on the
Stock Exchange becoming effective 9:00 a.m. on
1 September 2023

Cheques for cash payment under the Scheme
to be despatched (*Note 3*) On or before
8 September 2023

Notes:

1. The register of members of the Company will be closed during such period for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
2. The Scheme shall become effective upon all the Conditions set out in the section headed “4. Conditions to the Proposal and the Scheme” in Part VIII — Explanatory Memorandum of the Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be).
3. Cheques for the cash entitlement in respect of the Cancellation Price will be sent within seven Business Days of the Effective Date by ordinary post addressed to the persons entitled thereto at their respective registered addresses. All such cheques will be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, CICC, the Independent Financial Adviser, the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch.

All references to times and dates in this joint announcement are references to Hong Kong times and dates, unless otherwise stated.

GENERAL

As at 27 June 2023 and the date of this joint announcement, the total number of Shares held, controlled or directed by the Offeror and Offeror Concert Parties, including the Founder, DF and the Trustee, was 12,172,327,500 representing 88.89% of the issued Shares. None of the Offeror and the Offeror Concert Parties had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares since 27 June 2023 up to the date of this joint announcement.

As at the date of this joint announcement, none of the Offeror and the Offeror Concert Parties had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

Warning:

Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme are subject to Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

On behalf of the board
Rongshi International Investment Co., Ltd.
XU Shihui
Director

By order of the Board of
Dali Foods Group Company Limited
XU Shihui
Chairman

Hong Kong, 23 August 2023

As at the date of this joint announcement, the sole director of the Offeror is Mr. XU Shihui.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors of the Company in their capacities as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the Board of the Company comprises Mr. XU Shihui, Mr. ZHUANG Weiqiang and Ms. XU Yangyang 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.

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror and its concert parties (other than members of the Group)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.