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Sure Wonder Limited **Qinqin Foodstuffs Group (Cayman) Company Limited**
(Incorporated in the British Virgin Islands with limited liability) **親親食品集團(開曼)股份有限公司**
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1583)

JOINT ANNOUNCEMENT

**MANDATORY CONDITIONAL CASH OFFERS BY
DELOITTE & TOUCHE CORPORATE FINANCE LIMITED
FOR AND ON BEHALF OF
SURE WONDER LIMITED
TO ACQUIRE ALL THE ISSUED SHARES AND TO
CANCEL ALL THE
OUTSTANDING OPTIONS OF
QINQIN FOODSTUFFS GROUP (CAYMAN) COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED
BY SURE WONDER LIMITED AND/OR PARTIES ACTING
IN CONCERT WITH IT)**

Financial Adviser to the Offeror

Deloitte. **德勤**
Deloitte & Touche Corporate Finance Limited

INTRODUCTION

The Company was notified by the Offeror and Vendors that after trading hours of the Stock Exchange on 13 April 2018:—

- (i) Easy Success and the Offeror entered into the Easy Success Transfer Document, pursuant to which Easy Success has agreed to sell and the Offeror has agreed to purchase 40,000,000 Shares, representing approximately 7.01% of the issued Shares as at the date of this joint announcement, for a total cash consideration of HK\$92,000,000 (being HK\$2.3 per Share);
- (ii) An Ping and the Offeror entered into the An Ping Transfer Document, pursuant to which An Ping has agreed to sell and the Offeror has agreed to purchase 44,933,950 Shares, representing approximately 7.87% of the issued Shares as at the date of this joint announcement, for a total cash consideration of HK\$1.

The Acquisition will be completed when the transfer of the Sale Shares through the CCASS system has been completed, which is currently expected to happen two business days after the date of the Transfer Documents. The total cash consideration in respect of the Acquisition will be paid in full by the Offeror to the Vendors upon completion of transfer of the Sale Shares.

MANDATORY CONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror is interested in 29,555,978 Shares, representing approximately 5.18% of the issued Shares as at the date of this joint announcement. Immediately upon completion of the Acquisition, the Offeror will be interested in 114,489,928 Shares, representing approximately 20.06% of issued Shares as at the date of this joint announcement.

As the Vendors are members of the Offeror Concert Party Group, notwithstanding the Acquisition, the number of Shares in which the Offeror Concert Party Group is interested in will remain unchanged at 226,907,306 Shares immediately before and after completion of the Acquisition, representing approximately 39.76% of the issued Shares as at the date of this joint announcement. However, given the leader of the Offeror Concert Party Group will be changed as a result of the Acquisition, pursuant to Note 1 to Rule 26.1 of the Takeovers Code, the Offeror will be required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror Concert Party Group). Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Offer Optionholders to cancel all Offer Options.

Deloitte Corporate Finance will, for and on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share..... HK\$2.3 in cash

The Option Offer

For each Offer Option held and to be cancelled HK\$0.0001 in cash

The Share Offer Price of HK\$2.3 for each Offer Share under the Share Offer is the same as the highest price to be paid per Sale Share by the Offeror pursuant to the Transfer Documents. Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, since the exercise price of the Offer Options, being HK\$2.56, is above the Share Offer Price of HK\$2.3, the Offer Options are out-of-money and the Option Offer Price is set at a nominal price of HK\$0.0001.

As at the date of this joint announcement, the Company has 570,696,557 Shares in issue and 8,560,000 outstanding Options and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Principal terms of the Offers are set out in the section headed “Mandatory Conditional Cash Offers” below. Based on the Share Offer Price of HK\$2.3 per Offer Share and 343,789,251 Offer Shares and 8,440,000 Offer Options:

- (a) Assuming no Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$790,715,277.30; and
 - (ii) the total amount to satisfy the cancellation of all Offer Options will be approximately HK\$844.

- (b) Assuming all Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$810,127,277.30; and
 - (ii) no amount will be payable by the Offeror under the Option Offer.

The Offeror intends to finance the total consideration of the Acquisition and Offers by the Loan.

Deloitte Corporate Finance, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the Acquisition and the full acceptance of the Offers.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the Company's board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their respective terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) relevant forms of acceptance and transfer, to the Offer Shareholders and Offer Optionholders. It is expected that the Composite Document will be despatched on or before 4 May 2018.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established by the Company to make a recommendation to the Offer Shareholders and Offer Optionholders in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the Offer Shareholders and Offer Optionholders.

WARNING

Shareholders, Optionholders and potential investors should note that the Independent Board Committee has yet to consider and evaluate the Offers. The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement. Shareholders should read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offers and a letter of advice from the independent financial adviser, before forming a view on the Offers.

Shareholders, Optionholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult their professional advisers.

INTRODUCTION

The Company was notified by the Offeror and Vendors that after trading hours of the Stock Exchange on 13 April 2018:—

- (i) Easy Success and the Offeror entered into the Easy Success Transfer Document, pursuant to which Easy Success has agreed to sell and the Offeror has agreed to purchase 40,000,000 Shares, representing approximately 7.01% of the issued Shares as at the date of this joint announcement, for a total cash consideration of HK\$92,000,000 (being HK\$2.3 per Share);
- (ii) An Ping and the Offeror entered into the An Ping Transfer Document, pursuant to which An Ping has agreed to sell and the Offeror has agreed to purchase 44,933,950 Shares, representing approximately 7.87% of the issued Shares as at the date of this joint announcement, for a total cash consideration of HK\$1.

Set out below are the principal terms of the Transfer Documents.

Date

13 April 2018

Parties

Purchaser: the Offeror

Vendors: Easy Success and An Ping

The Sale Shares

The Sale Shares comprise a total of 84,933,950 Shares, representing approximately 14.88% of the issued Shares as at the date of this joint announcement.

Consideration

The cash consideration for the An Ping Sale Shares pursuant to the An Ping Transfer Document was a nominal consideration of HK\$1, which was agreed between An Ping and the Offeror on the basis that the share transfer was a matter of family wealth planning of Mr. Hui LC and his son, Mr. Hui CL. As further described in the section headed “Information Of The Vendors” below, An Ping is indirectly held through trust arrangements for Hui Family Trust, and Mr. Hui LC is the settlor and beneficiary of the Hui Family Trust.

The cash consideration for the Easy Success Sale Shares pursuant to the Easy Success Transfer Document was HK\$92,000,000 (equivalent to HK\$2.3 per Easy Success Sale Share). The cash consideration for the Easy Success Sale Shares was agreed between the Offeror and Easy Success after arm’s length negotiations, taking into account, among other things, (i) the financial position of the Company; and (ii) the recent market prices of the Shares as further described in the section headed “The Share Offer” below.

Completion of the Acquisition

The Acquisition will be completed when the transfer of the Sale Shares through the CCASS system has been completed, which is currently expected to happen two business days after the date of the Transfer Documents. The total cash consideration in respect of the Acquisition will be paid in full by the Offeror to the Vendors upon completion of transfer of the Sale Shares.

MANDATORY CONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror is interested in 29,555,978 Shares, representing approximately 5.18% of the issued Shares as at the date of this joint announcement. Immediately upon completion of the Acquisition, the Offeror will be interested in 114,489,928 Shares, representing approximately 20.06% of issued Shares as at the date of this joint announcement.

As the Vendors are members of the Offeror Concert Party Group, notwithstanding the Acquisition, the number of Shares in which the Offeror Concert Party Group is interested in will remain unchanged at 226,907,306 Shares immediately before and after the completion of the Acquisition, representing approximately 39.76% of the issued Shares as at the date of this joint announcement. However, given the leader of the Offeror Concert Party Group will be changed as a result of the Acquisition, pursuant to Note 1 to Rule 26.1 of the Takeovers Code, the Offeror will be required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror Concert Party Group). Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Offer Optionholders to cancel all Offer Options.

Deloitte Corporate Finance will, for and on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share..... HK\$2.3 in cash

The Share Offer Price of HK\$2.3 for each Share under the Share Offer is the same as the highest price to be paid per Sale Share by the Offeror pursuant to the Transfer Documents.

The Share Offer Price of HK\$2.3 per Offer Share represents:

- (a) a discount of approximately 1.71% to the closing price of HK\$2.34 per Share as quoted on the Stock Exchange on 12 April 2018, being the Last Trading Day;
- (b) a discount of approximately 2.95% over the average closing price of approximately HK\$2.37 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;

- (c) a discount of approximately 3.36% over the average closing price of approximately HK\$2.38 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 5.35% over the average closing price of approximately HK\$2.43 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 0.88% over the average closing price of approximately HK\$2.28 per Share as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day; and
- (f) a premium of approximately 56.46% over the audited consolidated net assets per Share of approximately RMB1.18 as at 31 December 2017 (equivalent to approximately HK\$1.47), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately RMB671,383,000 as at 31 December 2017 and 570,696,557 Shares in issue as at the date of this joint announcement.

The Option Offer

For each Offer Option held and to be cancelled HK\$0.0001 in cash

Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, since the exercise price of the Offer Options, being HK\$2.56, is above the Share Offer Price of HK\$2.3, the Offer Options are out-of-money and the Option Offer Price is set at a nominal price of HK\$0.0001.

In accordance with the terms of the Share Option Scheme, if a general offer resulting in a change of control of the Company is made to all the Shareholders (or all such holders other than the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Options, the Company shall forthwith give notice to the Optionholders and the Optionholders are entitled to exercise the Options in full within one month after the date of the notice, irrespective of the fact that Options are not otherwise exercisable during the offer period. Unless otherwise notified by the Company at the discretion of the board of Directors, any Options which remain outstanding shall lapse automatically at the end of the one month period after the date when the Options become exercisable.

As at the date of this joint announcement, the Company has 570,696,557 Shares in issue and 8,560,000 outstanding Options and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Conditions to the Offers

The Share Offer is conditional only on valid acceptances being received in respect of such number of Offer Shares, which together with Shares currently owned, acquired or agreed to be acquired before or during the Share Offer, will result in the Offeror Concert Party Group holding more than 50% of the voting rights in the Company. The Option Offer will be conditional on the Share Offer becoming or being declared unconditional in all respects.

Further announcement(s) in relation to the revision, extension or lapse of the Offers or the fulfillment of the conditions of the Offers shall be made in accordance with the Takeovers Code and Listing Rules in due course.

Highest and lowest closing prices of the Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the commencement of the offer period on 13 April 2018 and including the Last Trading Day (i.e. from 13 October 2017 to 12 April 2018) were HK\$2.51 per Share on 13 March 2018 and HK\$2.00 per Share on 2 November 2017, respectively.

Value of the Offers

Based on the Share Offer Price of HK\$2.3 per Share and 343,789,251 Offer Shares and 8,440,000 Offer Options:

- (a) Assuming no Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$790,715,277.30; and
 - (ii) the total amount to satisfy the cancellation of all Offer Options will be approximately HK\$844.

- (b) Assuming all Offer Options are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$810,127,277.30; and
 - (ii) no amount will be payable by the Offeror under the Option Offer.

Confirmation of financial resources

The Offeror intends to finance the total consideration of the Acquisition and Offers by the Loan.

Deloitte Corporate Finance, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the Acquisition and the full acceptance of the Offers.

Effect of accepting the Offers

By validly accepting the Share Offer, the Offer Shareholders shall sell their Offer Shares free from all Third Party Rights and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Share Offer is made.

By validly accepting the Option Offer, the Offer Options tendered by the Offer Optionholders will be cancelled, together with all rights attached to them with effect from the date on which the Option Offer is made.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Subject to the Offers having become, or have been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days following the later of the date of receipt of a duly completed acceptance of the Offers, or the date on which the Offers become or are declared unconditional in all aspects.

Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid. If the Offers do not become unconditional the relevant documents of title will be returned as soon as practicable after the latest date on which they could have become unconditional.

No fractions of a cent will be payable and the amount of the consideration payable to an Offer Shareholder who accepts the Offer will be rounded up to the nearest cent.

Overseas Shareholders and Overseas Optionholders

The Offeror intends to make the Offers available to all Offer Shareholders and Offer Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident. The making of the offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibility of Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Shareholder and/or Overseas Optionholder will be deemed to constitute a representation and warranty from such Overseas Shareholder and/or Overseas Optionholder to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

Hong Kong Stamp duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Offer Shareholders who accept the Share Offer. The Offeror will then arrange for payment of the stamp duty on behalf of those Offer Shareholders who accepted the Share Offer. The Offeror will bear buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptance of the Option Offer.

Tax Advice

Offer Shareholders and Offer Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. It is emphasised that none of the Company, the Offeror or its parties acting in concert or any of their respective directors, officers or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

OFFEROR'S INTERESTS IN SECURITIES OF THE COMPANY

The Offeror confirms that, save as disclosed herein, as at the date of this joint announcement:

- (a) save for the 226,907,306 Shares (representing approximately 39.76% of the issued Shares) and the 120,000 Options currently owned by the Offeror Concert Party Group, neither the Offeror nor any person acting in concert with it owned or had control or direction over any voting rights or rights over the Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities;
- (b) save for the subscription of 24,351 shares in Easy Success for a total consideration of US\$24,351 by Mr. Wu YD on 12 December 2017 (amounting to 50% of the issued share capital of Easy Success upon completion of such subscription, and equivalent to negligible consideration per Share, which was agreed between Easy Success and Mr. Wu YD on the basis that Mr. Wu HL (the then sole shareholder of Easy Success) and Mr. Wu YD are brothers), resulting in Mr. Wu YD being deemed to be interested in the 85,214,895 Shares in the Company, neither the Offeror nor any person acting in concert with it had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to the offer period up to the date of this joint announcement;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (d) there is no agreement or arrangement to which the Offeror or any person acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;

- (e) neither the Offeror nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) neither the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Offers; and
- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any person acting in concert with it.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability, shares of which have been listed on Stock Exchange since July 2016. The Group is principally engaged in the manufacturing, distribution and sale of food and snack products in the PRC.

SHAREHOLDING STRUCTURE OF THE COMPANY

Pursuant to the information on shareholding available to the Offeror and Company as at the date of this joint announcement, the shareholding structure of the Company (i) immediately prior to the completion of the Acquisition and as at the date of this joint announcement; (ii) immediately following the completion of the Acquisition but before commencement of the Offers are as follows:

Name of shareholder	Immediately prior to the completion of the Acquisition and as at the date of this joint announcement		Immediately following Acquisition but before commencement of the Offers	
	<i>Number of Shares</i>	<i>% of shareholding (approximate) (Note 8)</i>	<i>Number of Shares</i>	<i>% of shareholding (approximate) (Note 8)</i>
The Offeror (<i>Note 1</i>)	29,555,978	5.18%	114,489,928	20.06%
Parties acting in concert with the Offeror				
King Terrace (<i>Note 1</i>)	171,600	0.03%	171,600	0.03%
Event Star Limited (<i>Note 1</i>)	1,497,500	0.26%	1,497,500	0.26%
An Ping (<i>Notes 2 and 7</i>)	44,933,950	7.87%	0	0%
Tin Lee Investments Limited (<i>Notes 3 and 7</i>)	45,645,799	8.00%	45,645,799	8.00%
Mr. Sze Man Bok (<i>Notes 3 and 7</i>)	115,120	0.02%	115,120	0.02%
Easy Success (<i>Notes 4 and 7</i>)	85,214,895	14.93%	45,214,895	7.92%
Mr. Wu HL (<i>Notes 4 and 7</i>)	628,000	0.11%	628,000	0.11%
Ms. Cai Liqiong (<i>Notes 5 and 7</i>)	19,144,464	3.35%	19,144,464	3.35%
Mr. Wong Wai Leung (<i>Note 6</i>)	Nil	Nil	Nil	Nil
Aggregate number of Shares held by the Offeror Concert Party Group	226,907,306	39.76%	226,907,306	39.76%
Public Shareholders	343,789,251	60.24%	343,789,251	60.24%
Total	570,696,557	100.00%	570,696,557	100.00%

Notes:

- (1) The Offeror, together with King Terrace and Event Star Limited, are directly wholly and beneficially owned by Mr. Hui CL, an executive Director and the Chairman of the Company. Mr. Hui CL, King Terrace and Event Star Limited are presumed to be acting in concert with the Offeror under Class (8);

- (2) An Ping is a wholly owned subsidiary of An Ping Investments Limited, which is in turn owned by Seletar Limited and Serangoon Limited as nominee on trust for Credit Suisse Trust Limited, the trustee of the Hui Family Trust. Mr. Hui LC, a non-executive Director of the Company, is the settlor and beneficiary of the Hui Family Trust and accordingly is deemed to be beneficially interested in Shares owned by An Ping. Mr. Hui LC also is the father of Mr. Hui CL and both An Ping and Mr. Hui LC are presumed to be acting in concert with the Offeror under Class (8);
- (3) Tin Lee Investments Limited is a wholly owned subsidiary of Tin Wing Holdings Limited, which is in turn owned by Seletar Limited and Serangoon Limited as nominee on trust for Credit Suisse Trust Limited, the trustee of the Sze's Family Trust. Mr. Sze Man Bok is the settlor and beneficiary of the Sze's Family Trust and accordingly, is deemed to be beneficially interested in the Shares held by Tin Lee Investments Limited. Mr. Sze Man Bok is also interested in 115,120 Shares held directly by him. Mr. Sze Man Bok is a non-executive Director of the Company and both Tin Lee Investments Limited and Mr. Sze Man Bok is deemed to be acting in concert with the Offeror based on his long-standing business relationship at Hengan with Mr. Hui LC, the father of Mr. Hui CL;
- (4) Easy Success is a company legally and beneficially owned as to 50% by Mr. Wu HL, an executive Director of the Company, and 50% by Mr. Wu YD, a brother of Mr. Wu HL. Mr. Wu HL also directly holds 628,000 Shares. Mr. Wu HL is a non-executive Director of the Company and Mr. Wu YD is Mr. Wu HL's brother. Mr. Wu HL is deemed to be acting in concert with the Offeror based on his long-standing business relationship at the Group with Mr. Hui CL since 2003. Mr. Wu YD and Easy Success are presumed to be acting in concert with Mr. Wu HL under Class (8);
- (5) Ms. Cai Liqiong is the wife of Mr. Wu YD and therefore is presumed to be acting in concert with Mr. Wu YD under Class (8);
- (6) Mr. Wong Wai Leung holds and owns 120,000 Options. Mr. Wong Wai Leung is an executive Director of the Company and also a director of Lianjie Sports Investments Limited, which is wholly owned beneficially by Mr. Hui CL. He is presumed to be acting in concert with the Offeror under Classes (6) and (8);
- (7) By way of background, Mr. Hui LC and Mr. Sze Man Bok were founders of Hengan. In 2003, Mr. Hui CL, through his wholly-owned investment vehicle, acquired a minority interest in the then holding company of the business currently owned by the Company prior to the incorporation of QinQin BVI. In 2008, Hengan, through its wholly owned subsidiary, acquired a 51% interest in QinQin BVI, which was the then holding company of the business currently owned by the Company. Mr. Wu HL was a founder of the Group. In 2016, the Company was spun-off from Hengan by way of distribution in specie and Ms. Cai Liqiong was an indirect minority shareholder of QinQin BVI at that time and Mr. Wu YD was taken to be interested in her shares as her spouse; and
- (8) Due to rounding off of numbers, the shareholding percentage for each of the member of the Offeror Concert Party Group in the above table may not add up to the aggregate shareholding percentage of the Offeror Concert Party Group.

FINANCIAL INFORMATION OF THE GROUP

The following table is a summary of certain audited consolidated financial information of the Group for the financial years ended 31 December 2016 and 31 December 2017 as extracted from the annual report of the Company for the year ended 31 December 2016 and the annual results announcement of the Company for the year ended 31 December 2017, respectively:

	Year ended 31 December	
	2016	2017
	(audited)	(audited)
	RMB '000	RMB '000
Revenue	980,902	882,379
Gross profit	420,991	338,100
Profit/(loss) before income tax	57,449	(2,256)
Profit/(loss) for the year attributable to Shareholders	31,522	(6,536)
Consolidated net asset value attributable to Shareholders	676,697	671,383

INFORMATION OF THE VENDORS

Easy Success is an investment holding company incorporated in the British Virgin Islands with limited liability and is held as to 50% by Mr. Wu HL and 50% by Mr. Wu YD. Mr. Wu HL is currently a non-executive Director of the Company, and Mr. Wu YD is the brother of Mr. Wu HL.

An Ping is an investment holding company incorporated in the Bahamas and a wholly owned subsidiary of An Ping Investments Limited, which is in turn owned by Seletar Limited and Serangoon Limited as nominee on trust for Credit Suisse Trust Limited, the trustee of the Hui Family Trust. Mr. Hui LC, a non-executive Director of the Company, is the settlor and beneficiary of the Hui Family Trust and accordingly is deemed to be beneficially interested in Shares owned by An Ping.

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is directly wholly-owned by Mr. Hui CL. Mr. Hui CL is also currently an executive Director and Chairman of the Company, and a director of most of the Company's subsidiaries. He has been responsible for providing leadership, guidance and strategic advice on corporate development and investment of the Group. He has accumulated over thirteen years of experience in the food and snacks business since he became a director of some of the Company's subsidiaries in April 2003.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror and Mr. Hui CL that the Group's existing principal activities will be maintained after the close of the Offers. Following the close of the Offers, the Offeror and Mr. Hui CL intend to continue to pursue and promote strategies to enhance future development of the Group and to create greater value for its shareholders.

Save as in connection with the intention of the Offeror and Mr. Hui CL regarding the Group as set out above, the Offeror and Mr. Hui CL currently have no intention to (i) discontinue the employment of the existing management and employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) that there are insufficient Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

Each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Company and the Offeror consider that the appropriate actions to be taken after the close of the Offers shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the Company's board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their respective terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) relevant forms of acceptance and transfer, to the Offer Shareholders and Offer Optionholders in relation to the Offers. It is expected that the Composite Document will be despatched on or before 4 May 2018.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Wu Sichuan and Mr. Wu Yinhang, both being non-executive Directors, and Mr. Cai Meng, Mr. Chan Yiu Fai Youdey, Mr. Ng Swee Leng and Mr. Paul Marin Theil, all being independent non-executive Directors, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Offer Shareholders and Offer Optionholders in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

Mr. Hui LC, Mr. Sze Man Bok and Mr. Wu HL, all being non-executive Directors, shall not form part of the Independent Board Committee as they are members of the Offeror Concert Party Group.

An independent financial adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the Offer Shareholders and Offer Optionholders.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

Shareholders, Optionholders and potential investors should note that the Independent Board Committee has yet to consider and evaluate the Offers. The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement. Shareholders and Optionholders should read the Composite Document carefully, including the recommendations of the Independent Board Committee in respect of the Offers and a letter of advice from the independent financial adviser, before forming a view on the Offers.

Shareholders, Optionholders and potential investors are advised to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offers and exercise caution when dealing in the securities of the Company. If Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the purchase of the Sale Shares by the Offeror from the Vendors pursuant to terms set out in the Transfer Documents
“An Ping”	An Ping Holdings Limited, a limited liability company incorporated in the Bahamas indirectly owned by Seletar Limited and Serangoon Limited as nominee on trust for Credit Suisse Trust Limited, the trustee of the Hui Family Trust. Mr. Hui LC is settlor and beneficiary of the Hui Family Trust, and is deemed to be beneficially interested in An Ping and its interests in the Company
“An Ping Sale Shares”	44,933,950 Shares, being such number of Shares to be acquired by the Offeror from An Ping pursuant to the An Ping Transfer Document, representing 7.87% of the issued Shares as at the date of this joint announcement
“An Ping Transfer Document”	the sale and purchase agreement entered into between An Ping and the Offeror on 13 April 2018 in relation to the sale and purchase of 44,933,950 Shares
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associates”	has the meaning ascribed thereto under the Takeovers Code
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business

“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“Class (6)”	class (6) of the definition of parties who are presumed to be acting in concert with each other under the Takeovers Code
“Class (8)”	class (8) of the definition of parties who are presumed to be acting in concert with each other under the Takeovers Code
“Company”	Qinqin Foodstuffs Group (Cayman) Company Limited, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Stock Exchange (Stock Code: 1583)
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Offer Shareholders and Offer Optionholders in connection with the Offers in compliance with the Takeovers Code
“Director(s)”	director(s) of the Company
“Deloitte Corporate Finance”	Deloitte & Touche Corporate Finance Limited, a licensed corporation registered under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined in the SFO, being the financial adviser to the Offeror in respect of the Offers
“Easy Success”	Easy Success International Investment Limited, a limited liability company incorporated in the British Virgin Islands legally and beneficially owned as to 50% by Mr. Wu HL and 50% by Mr. Wu YD
“Easy Success Sale Shares”	40,000,000 Shares, being such number of Shares to be acquired by the Offeror from Easy Success pursuant to the Easy Success Transfer Document, representing 7.01% of the issued Shares as at the date of this joint announcement

“Easy Success Transfer Document”	the sale and purchase agreement entered into between Easy Success and the Offeror on 13 April 2018 in relation to the sale and purchase of 40,000,000 Shares
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries
“Hengan”	Hengan International Group Company Limited, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Stock Exchange (Stock Code: 1044)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hui Family Trust”	the family trust of which Mr. Hui LC is settlor and beneficiary
“Independent Board Committee”	the independent board committee of the board of Directors, comprising Mr. Wu Sichuan, Mr. Wu Yinhang, Mr. Cai Meng, Mr. Chan Yiu Fai Youdey, Mr. Ng Swee Leng and Mr. Paul Marin Theil, formed for the purpose of advising the Offer Shareholders and Offer Optionholders in respect of the Offers
“King Terrace”	King Terrace Limited, a company incorporated in the British Virgin Islands which is wholly and beneficially owned by Mr. Hui CL
“Last Trading Day”	12 April 2018, being the last full trading day of the Shares immediately prior to the date of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	an unsecured loan in the amount of HK\$904,000,000 granted by King Terrace to the Offeror

“Mr. Hui CL”	Mr. Hui Ching Lau, an executive Director and Chairman of the Company, and the sole legal and beneficial owner of the Offeror
“Mr. Hui LC”	Mr. Hui Lin Chit, a non-executive Director of the Company
“Mr. Wu HL”	Mr. Wu Huolu, a non-executive Director of the Company, and legally and beneficially owns 50% of Easy Success
“Mr. Wu YD”	Mr. Wu Yongde, a brother of Mr. Wu HL, and legally and beneficially owns 50% of Easy Success
“Offers”	collectively, the Share Offer and the Option Offer
“Offer Shareholder(s)”	holder(s) of Share(s), other than members of the Offeror Concert Party Group
“Offer Share(s)”	all and any of the Shares that are subject to the Share Offer
“Offer Optionholder(s)”	holder(s) of Option(s), other than members of the Offeror Concert Party Group
“Offer Option(s)”	all and any of the Options that are subject to the Option Offer
“Offeror”	Sure Wonder Limited, a limited liability company incorporated in the British Virgin Islands which is wholly and beneficially owned by Mr. Hui CL
“Offeror Concert Party Group”	the Offeror and parties acting in concert with the Offeror or party as specified and as determined in accordance with the Takeovers Code
“Option Offer”	the mandatory conditional cash offer to be made by Deloitte Corporate Finance for and on behalf of the Offeror to cancel all the Offer Options in accordance with the Takeovers Code
“Option Offer Price”	HK\$0.0001 per Option, being the price at which the Option Offer will be made

“Optionholder(s)”	holder(s) of the Option(s)
“Option(s)”	outstanding share options granted by the Company pursuant to the Share Option Scheme
“Overseas Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Overseas Optionholder(s)”	Offer Optionholder(s) whose address(es), as shown on the register of Optionholders of the Company, is/are outside Hong Kong
“QinQin BVI”	QinQin Foodstuffs Group Company Limited, a company incorporated in the BVI with limited liability and a wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this joint announcement)
“RMB”	Renminbi, the lawful currency of the PRC; in this joint announcement, the conversion of RMB into HK\$ is based on the exchange rate of RMB1 to HK\$1.2473 for illustration purpose only
“Sale Shares”	collectively, An Ping Sale Shares and Easy Success Sale Shares, and “Sale Share” means any of such Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the mandatory conditional cash offer to be made by Deloitte Corporate Finance, for and on behalf of the Offeror, to acquire all the issued Shares not already owned and/or agreed to be acquired by the Offeror Concert Party Group in accordance with the Takeovers Code

“Share Offer Price”	HK\$2.3 per Share, being the price at which the Share Offer will be made
“Share Option Scheme”	the share option scheme of the Company adopted on 16 May 2017
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sze’s Family Trust”	the family trust of which Mr. Sze Man Bok is settlor and beneficiary
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Third Party Rights”	any interest or equity of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above or any other third party rights of any nature
“Transfer Documents”	collectively, the An Ping Transfer Document and the Easy Success Transfer Document
“Vendors”	collectively, An Ping and Easy Success
“%”	per cent.

By Order of the board of directors of
Sure Wonder Limited
Hui Ching Lau
Sole Director

By Order of the Board of
Qinqin Foodstuffs Group (Cayman) Company Limited
Wong Wai Leung
*Executive Director, Chief Financial Officer
and Company Secretary*

Hong Kong, 13 April 2018

As of the date of this joint announcement, the Board comprises 12 Directors, of which five are non-executive Directors, namely Mr. Hui Lin Chit, Mr. Sze Man Bok, Mr. Wu Huolu, Mr. Wu Sichuan and Mr. Wu Yinhang; three are executive Directors, namely Mr. Hui Ching Lau (Chairman), Mr. Zhu Hong Bo (Chief Executive Officer) and Mr. Wong Wai Leung (Chief Financial Officer and Company Secretary); and four are independent non-executive Directors, namely Mr. Cai Meng, Mr. Chan Yiu Fai Youdey, Mr. Ng Swee Leng and Mr. Paul Marin Theil.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror or any of its associates or any parties acting in concert with it), 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 Offeror or any of its associates or any parties acting in concert with it) 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.

As of the date of this joint announcement, Mr. Hui Ching Lau is the sole director of the Offeror.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group, the Vendors or any of their associates or any parties acting in concert with them) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement 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.