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嘉士利集團有限公司
Jiashili Group Limited



(incorporated in the Cayman Islands with limited liability)

(Stock code: 1285)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
IN RELATION TO SUBSCRIPTION OF INTEREST IN
LIMITED PARTNERSHIP JOINT VENTURE AND ENTERING INTO
LIMITED PARTNERSHIP AGREEMENT**

Reference is made to the announcements of Jiashili Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) dated 26 June 2019 and 20 December 2019 (the “**Announcements**”) in relation to Subscription of interest in Limited Partnership Joint Venture and entering into Limited Partnership Agreement. Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcements.

The board (the “**Board**”) of directors (the “**Directors**”) of hereby provides further information about the Capital Increase Agreement:

Information about the Joint Venture Partners under Capital Increase Agreement

The Joint Venture Partners include as follows:

- (i) Tsingtao Zhong Ke Hui Jin Venture Investment Company Limited* (青島中科滙金創業投資有限公司) as General Partner;
- (ii) Tsingtao Ding Yi Chuang Zhi Investment Management Company Limited* (青島鼎益創智投資管理有限公司) as Limited Partner;

- (iii) Tsingtao Miao Shang Zheng Nan Shi Mo New Materials Company Limited* (青島淼尚正楠石墨新材料有限公司) as Limited Partner; and
- (iv) Kaiping Lijia Industrial Investment Company Limited* (開平市利嘉實業投資有限公司), an indirect wholly-owned subsidiary of the Company as Limited Partner

To the best of the Directors' knowledge, information and belief having made all reasonable inquiries, the Joint Venture Partners of the Limited Partnership Joint Venture and their ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules) and are not Shareholders of the Company.

The basis of the capital contribution

The Joint Venture Partners are obliged to make capital contribution to the Limited Partnership Joint Venture in respect of its commitment at such times and manner determined by all Joint Venture Partners (including Limited and General partner). The investment amounts are determined after arm's length negotiation of all partners and with reference to the initial funding needs of the Joint Venture and the agreed share of each party in the interest in the Joint Venture. The Capital Increase for each partner under the Capital Increase Agreement is calculated based on their last percentage of shareholding in the Limited Partnership Joint Venture since established in June 2019.

The reasons for entering into the Capital Increase Agreement

The Directors are of the view that investment outlook in Fast Moving Consumer Goods (FMCG) or food related industry in the PRC would be assuring and present a wealth of attractive investment opportunities and is also likely to flourish in the future, and the Joint Venture investment will provide an effective platform for the Company to invest in the projects in these sector.

Accordingly, the establishment of the Limited Partnership Joint Venture will be conducive to realise substantial long-term capital appreciation by way of investments in companies or operating projects in the food related sector positioned to benefit from economic growth in the PRC.

The Directors consider that the Capital Increase would provide the Group with an increased opportunity to foster cooperation relationship with largescale FMCG or food related market players and enhance the Group's industry position in food and cracker sector.

Further information about the Capital Increase Agreement

The Directors are of the view that the terms of the Capital Increase Agreement is on normal commercial terms after arm's length negotiation among the Joint Venture Partners, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By order of the Board
Jiashili Group Limited
Huang Xianming
Chairman and Executive Director

Hong Kong, 31 December 2019

As at the date of this announcement, the Board comprises Mr. Huang Xianming, Mr. Tan Chaojun, Mr. Chen Songhuan as executive Directors; Mr. Lin Xiao as non-executive Director; Mr. Kam Robert, Ms. Ho Man Kay, and Mr. Ma Xiaoqiang as independent non-executive Directors.

* *For identification purpose only*