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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Shenghai Food Holdings Company Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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### China Shenghai Food Holdings Company Limited

### 中國升海食品控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1676)**

#### PROPOSALS FOR

- (1) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS,**
  - (2) RE-ELECTION OF RETIRING DIRECTORS,**
  - (3) RE-APPOINTMENT OF AUDITORS,**
  - (4) GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,**
  - (5) SHARE CONSOLIDATION,**
  - (6) CHANGE OF THE NAME OF THE COMPANY**
- AND**
- NOTICE OF ANNUAL GENERAL MEETING**

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This circular, for which the directors (the “**Directors**”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regards to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

A notice convening the AGM to be held at 20/F, OfficePlus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Monday, 25 May 2020 at 2:30 p.m. (Hong Kong time) is set out on pages 30 to 35 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.xmwofan.com>).

If you are unable to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

22 April 2020

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2019 Annual Report”	the annual report of the Company for the financial year ended 31 December 2019 despatched to the Shareholders together with this circular
“AGM”	an annual general meeting of the Company to be held at 20/F, OfficePlus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Monday, 25 May 2020 at 2:30 p.m. (Hong Kong time), to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 30 to 35 of this circular, or any adjournment thereof
“AGM Venue”	20/F, OfficePlus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong
“Articles”	the articles of association of the Company currently in force
“Associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday and Sunday) on which licensed banks are generally open for business in Hong Kong
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change of Company Name”	proposed change the name of the Company from “China Shenghai Food Holdings Company Limited” to “China Shenghai Group Limited”, and the dual foreign name in Chinese of the Company from “中國升海食品控股有限公司” to “中國升海集團有限公司”
“close associate(s)”	has the meaning as defined in the Listing Rules

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## DEFINITIONS

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“Company”	China Shenghai Food Holdings Company Limited ( 中國升海食品控股有限公司 ), a company incorporated in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands, the issued Shares of which are listed on the Stock Exchange (stock code: 1676)
“Consolidated Shares”	consolidated ordinary share(s) of HK\$0.10 each in the issued and unissued share capital of the Company upon the Share Consolidation becoming effective
“Controlling shareholder(s)”	has the meaning as defined in the Listing Rules
“core connected person(s)”	has the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Share Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“General Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares with the aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	16 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

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## DEFINITIONS

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“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Consolidation”	the proposed consolidation of every ten (10) Shares into one Consolidated Share
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Share Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares of the aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“%”	per cent

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## EXPECTED TIMETABLE

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The expected timetable relating to the Share Consolidation and the associated trading arrangement is as follows:

Despatch of circular with notice of AGM . . . . . On or before  
Wednesday, 22 April 2020

Latest date and time for lodging transfer documents  
in order to qualify for attending and voting at the AGM . . . . . 4:30 p.m.  
Tuesday, 19 May 2020

Closure of register of members for the entitlement  
to attend and vote at the . . . . . from Wednesday, 20 May 2020 to  
Monday, 25 May 2020 (both days inclusive)

Latest date and time for lodging forms of proxy for the AGM  
(not less than 48 hours prior to the time of the AGM) . . . . . 2:30 p.m.  
Saturday, 23 May 2020

Date and time of the AGM . . . . . 2:30 p.m.  
Monday, 25 May 2020

Announcement of poll results of the AGM . . . . . Monday, 25 May 2020

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation, which are included in this circular.**

Effective date of the Share Consolidation . . . . . Wednesday, 27 May 2020

First day for free exchange of  
existing share certificates for new share certificates  
for the Consolidated Shares commences . . . . . Wednesday, 27 May 2020

Dealings in the Consolidated Shares commences . . . . . 9:00 a.m.  
Wednesday, 27 May 2020

Original counter for trading in the existing Shares  
(in board lots of 4,000 Shares in the form of existing share certificates)  
temporarily closes . . . . . 9:00 a.m.  
Wednesday, 27 May 2020

Temporary counter for trading  
in the Consolidated Shares in board lots of 400 Consolidated Shares  
(in the form of existing share certificates) opens . . . . . 9:00 a.m.  
Wednesday, 27 May 2020

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## EXPECTED TIMETABLE

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Original counter for trading in the Consolidated Shares  
(in board lots of 4,000 Consolidated Shares in the form  
of new share certificates) re-opens . . . . . 9:00 a.m.  
Wednesday, 10 June 2020

Parallel trading in the Consolidated Shares  
(in form of new share certificates and existing share certificates)  
commences . . . . . 9:00 a.m.  
Wednesday, 10 June 2020

Designated broker starts to stand in the market to  
provide matching services for odd lots of the Consolidated Shares . . . . . 9:00 a.m.  
Wednesday, 10 June 2020

Temporary counter for trading in the Consolidated Shares  
in board lots of 400 Consolidated Shares  
(in the form of existing share certificates) closes . . . . . 4:10 p.m.  
Thursday, 2 July 2020

Parallel trading in the Consolidated Shares  
(in form of new share certificates and existing share certificates)  
ends . . . . . 4:10 p.m.  
Thursday, 2 July 2020

Designated broker ceases to stand in the market  
to provide matching services for odd lots of the Consolidated Shares . . . . . 4:10 p.m.  
Thursday, 2 July 2020

Last day for free exchange of existing share certificates  
for new share certificates for the Consolidated Shares . . . . . Monday, 6 July 2020

**All times and dates in this circular refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.**

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## LETTER FROM THE BOARD

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### China Shenghai Food Holdings Company Limited

### 中國升海食品控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1676)**

*Executive Directors:*

Mr. Liu Rongru  
Ms. Li Jiayin

*Non-executive Directors:*

Mr. Li Dongfan

*Independent non-executive Directors:*

Mr. Liu Dajin  
Mr. Liu Junting  
Mr. Pang Wai Ching

*Registered office:*

Cricket Square Hutchins Drive  
P.O. Box 2681 Grand Cayman,  
KY1-1111 Cayman Islands

*Head office in the PRC:*

5th Floor, No. 5 Factory  
Meixi Road, Huandong Waters  
Tongan District  
Huli Industrial Park Xiamen City  
Fujian Province PRC

*Principal place of business in Hong Kong:*

Room 1903  
19/F, OfficePlus@Sheung Wan  
93-103 Wing Lok Street  
Sheung Wan Hong Kong

22 April 2020

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR**  
**(1) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL**  
**STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS,**  
**(2) RE-ELECTION OF RETIRING DIRECTORS,**  
**(3) RE-APPOINTMENT OF AUDITORS,**  
**(4) GRANTING OF GENERAL MANDATES TO**  
**REPURCHASE SHARES AND TO ISSUE NEW SHARES,**  
**(5) SHARE CONSOLIDATION,**  
**(6) CHANGE OF THE NAME OF THE COMPANY**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with details of the resolutions to be proposed at the AGM relating to:

- (a) the adoption of audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2019;



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## LETTER FROM THE BOARD

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- (b) the proposed re-election of the retiring Directors;
- (c) the proposed re-appointment of the Auditors;
- (d) the granting of the Share Repurchase Mandate to the Directors;
- (e) the granting of the General Mandate to the Directors;
- (f) the granting of the Extension Mandate to the Directors;
- (g) the Share Consolidation; and
- (h) the Change of the Name of the Company.

### **RESOLUTION (1) ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2019**

The audited consolidated financial statements of the Company for the year ended 31 December 2019 together with the Reports of the Directors and the Auditors, are set out in the 2019 Annual Report which will be sent to the Shareholders on 22 April 2020. The 2019 Annual Report may then be viewed and downloaded from the Company's website ([www.xmwofan.com](http://www.xmwofan.com)) and the Hong Kong Exchanges and Clearing Limited's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The audited consolidated financial statements have been reviewed by the Audit Committee of the Company.

### **RESOLUTION (2) RE-ELECTION OF RETIRING DIRECTORS**

The Board currently consists of two Executive Directors, namely Mr. Liu Rongru, and Ms. Li Jiayin, one Non-executive Director, namely Mr. Li Dongfan and three Independent Non-executive Directors namely Mr. Liu Dajin, Mr. Liu Junting and Mr. Pang Wai Ching.

Pursuant to Article 83(3) of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

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## LETTER FROM THE BOARD

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Pursuant to articles 84(1) and (2) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Accordingly, Ms. Li Jiayin, Mr. Li Dongfan, Mr. Liu Junting and Ms. Pang Wai Ching shall retire at the AGM and being eligible, offer themselves for re-election.

The re-election of Directors has been reviewed by the Nomination Committee of the Company which recommended to the Board that the re-election be proposed for Shareholders' approval at the AGM.

The re-election of Directors has been reviewed by the Nomination Committee of the Company which recommended to the Board that the re-election be proposed for Shareholders' approval at the AGM. The nominations were made in accordance with the Nomination Policy of the Company and the objective criteria for the nominations, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, with due regard for the benefits of diversity as set out under the Board Diversity Policy of the Company.

In recommending each of Ms. Li Jiayin (“**Ms. Li**”) to stand for re-election as Executive Director, Mr. Li Dongfan (“**Mr. Li**”) to stand for re-election as Non-Executive Director and Mr. Liu Junting (“**Mr. Liu**”) and Mr. Pang Wai Ching (“**Mr. Pang**”) to stand for re-election as Independent Non-executive Directors, the Nomination Committee has considered the following backgrounds and attributes of the nominees concerned:

- (a) Ms. Li graduated from Auckland University of Technology, New Zealand with a bachelor's degree in finance in 2008. She has over 10 years in business development, management and strategic planning.

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## LETTER FROM THE BOARD

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- (b) Mr. Li is an entrepreneur and he held a degree of Doctor of Philosophy (Finance) granted by Brampton International University, Canada. From November 2017 to July 2018, Mr. Li served as vice chairman, executive director and the joint-chairman of the board of directors of various listing companies in Hong Kong.
- (c) Mr. Liu graduated from Beijing Institute of Technology and he is currently an independent non-executive director of Moody Technology Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1400).
- (d) Mr. Pang received a Bachelor of Business Administration in Accountancy from City University of Hong Kong. He has over 10 years of experiences in accounting and corporate governance.

The Nomination Committee considered that in view of their diverse and different educational backgrounds and professional knowledge and experience in the respective fields of business management, auditing and accounting, corporate finance, company secretarial and corporate governance practices as mentioned above and as set out in Appendix I to this circular, Ms. Li, Mr. Li, Mr. Liu and Mr. Pang as Directors will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointments will contribute to the diversity of the Board appropriate to the requirements of the Company's business.

The biographical details of above mentioned Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### **RESOLUTION (3) RE-APPOINTMENT OF AUDITORS**

The Board (which agreed with the view of the Audit Committee of the Company) recommended that, subject to the approval of the Shareholders at the AGM, BDO Limited be re-appointed as the external auditors of the Company for 2020.

### **RESOLUTION (4) SHARE REPURCHASE MANDATE**

The Directors have been granted a general unconditional mandate to exercise the power of the Company to repurchase Shares pursuant to the written resolutions of the Shareholders passed on 15 May 2019. The share repurchase mandate would expire: (a) at the conclusion of the next annual general meeting of the Company; (b) at the expiration of the period within which the Company is required by the Articles or any other applicable laws of the Cayman Islands to hold its next annual general meeting; or (c) when revoked, varied or renewed by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

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## LETTER FROM THE BOARD

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The existing share repurchase mandate will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general mandate to exercise all the powers of the Company to purchase or repurchase Shares with the aggregate nominal value not exceeding 10% of the aggregate nominal value of the issued share capital of the Company on the date of passing the relevant resolution.

The Company had in issue an aggregate of 1,000,000,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolutions for the approval of the General Mandate and the Share Repurchase Mandate and in accordance with the terms therein, the Company would be allowed to repurchase a maximum of 100,000,000 Shares on the basis that no further Shares will be issued or repurchased by the Company between the Latest Practicable Date to the date of the AGM.

Details of the aforesaid ordinary resolution are set out in ordinary resolution no. 4 in the notice of the AGM.

An explanatory statement giving the particulars required under Rule 10.06(2) of the Listing Rules in respect of the Share Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out Appendix II to this circular.

### **RESOLUTION (5) GENERAL MANDATE**

The Directors have been granted a general unconditional mandate to allot, issue and deal with Shares pursuant to the written resolutions of the Shareholders passed on 15 May 2019. The general mandate would expire: (a) at the conclusion of the next annual general meeting of the Company; (b) at the expiration of the period within which the Company is required by the Articles or any other applicable laws of the Cayman Islands to hold its next annual general meeting; or (c) when revoked, varied or renewed by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

The existing general mandate will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general unconditional mandate to allot, issue and deal with new Shares with the aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing the relevant resolution. As at the Latest Practicable Date, a total of 1,000,000,000 shares were in issue. Subject to the passing of the proposed resolution granting the General Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the AGM, the Company will be allowed under the General Mandate to issue a maximum of 200,000,000 shares.

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## LETTER FROM THE BOARD

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Details of the aforesaid ordinary resolution are set out in ordinary resolution no. 5 in the notice of the AGM.

### **RESOLUTION (6) EXTENSION MANDATE**

In addition, subject to the passing of the resolutions to grant the General Mandate and the Share Repurchase Mandate, an ordinary resolution will be proposed at the AGM to authorise the Directors to extend the General Mandate to allot and issue Shares by an amount of Shares representing the aggregate nominal value of Shares of the Company purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Share Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Share Repurchase Mandate.

Details of the aforesaid ordinary resolution are set out in ordinary resolution no. 6 in the notice of the AGM.

### **RESOLUTION (7) SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.10 each in the share capital of the Company.

#### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of the ordinary resolution to approve the Share Consolidation by the Shareholders at the AGM; and
- (ii) the Listing Committee granting approval to the listing of and permission to deal in the Consolidated Shares.

#### **Effect of the Share Consolidation**

As at the date of the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each, of which 1,000,000,000 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the date of the Latest Practicable Date and the date of the AGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 100,000,000 Consolidated Shares of par value of HK\$0.10 each will be in issue. As at the date of the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

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## LETTER FROM THE BOARD

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### Listing Application

An application will be/has been made by the Company to the Listing Committee for the listing of and the permission to deal in the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, upon the Share Consolidation being effective, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Assuming all the conditions are fulfilled, the Share Consolidation will become effective on the second Business Day following the passing of the ordinary resolution at the AGM, which is expected to be held on Monday, 25 May 2020.

Upon the Share Consolidation becoming effective, all Consolidated Shares will rank *pari passu* in all respects with each other. Fractions of Consolidated Shares that arise from the Share Consolidation will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated and sold for the benefit of the Company.

The implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

### Board lot size

Currently, the existing Shares are traded on the Stock Exchange in the board lot size of 4,000 existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 4,000 Consolidated Shares.

Based on the closing price of HK\$• per existing Share (equivalent to the theoretical closing price of HK\$1.0 per Consolidated Share) as quoted on the Stock Exchange as at the date of the Latest Practicable Date (the “**Closing Price**”), the value of each board lot of the existing Shares is HK\$• and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$•.

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## LETTER FROM THE BOARD

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### Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. In view of the recent trading price of the Shares, the Board on its initiative proposes to effect the Share Consolidation in order to comply with the trading requirements of the Listing Rules.

In addition, pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated on 28 June 2019 (the “**Guideline**”), the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the date of the Latest Practicable Date, based on the Closing Price with a board lot size of 4,000 Shares, the Company is trading under HK\$2,000 per board lot. For the purpose of reducing transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Shares and may attract more investors and extend the shareholders base of the Company.

The Board has considered different possible combinations of the share consolidation and concluded that the proposed consolidation of every ten (10) issued and unissued existing Shares into one (1) Consolidated Share is the most feasible option as it would minimise the creation of odd lots; and the board lot value after Share Consolidation, calculated based on the closing price, will be HK\$• which is over HK\$2,000 (the minimum transaction costs for a securities trade) while not making the cost for each board lot being too high. Accordingly, the Board is of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

As at the date of the Latest Practicable Date, the Company does not have any plan or intention of future corporate actions including but not limited to fund raising exercises which will further change the trading arrangement of the Company in the next 12 months. However, the Directors consider that they will contemplate fund raising activities whenever they think reasonably necessary.

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## LETTER FROM THE BOARD

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### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint Fortune (HK) Securities Limited as an agent to provide matching services to those Shareholders for the sale and purchase of odd lots of the Consolidated Shares on a best effort basis, during the period from 9:00 a.m. on Wednesday, 10 June 2020 to 4:10 p.m. on Thursday, 2 July 2020 (both days inclusive). Shareholders who wish to utilise such matching services may contact the dealing department of Fortune (HK) Securities Limited at 43/F, COSCO Tower, 183 Queen's Road Central, Hong Kong or telephone at (852) 3189 2187 during office hours of such period.

Holders of odd lots of the Consolidated Shares should note that matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed.

### **Free exchange of share certificates and trading arrangement**

Subject to the Share Consolidation becoming effective, Shareholders may submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong between 9:00 a.m. and 4:30 on any Business Day during the period from Wednesday, 27 May 2020 to Monday, 6 July 2020 (both dates inclusive), to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the branch share registrar for exchange. Thereafter, the share certificates for the existing Shares will cease to be valid for delivery, trading, settlement and registration purpose but will remain effective as documents of legal title and will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by the Shareholders. The existing share certificates are in light green colour and the new share certificates will be in light yellow colour.



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## LETTER FROM THE BOARD

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### **Warning**

Shareholders and potential investors should also be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions of the Share Consolidation” above. Therefore, the Share Consolidation may or may not proceed.

Details of the aforesaid ordinary resolution are set out in ordinary resolution no. 7 in the notice of the AGM.

### **RESOLUTION (8) CHANGE OF THE NAME OF THE COMPANY**

The Board of the Company proposes to change the name of the Company from “China Shenghai Food Holdings Company Limited” to “China Shenghai Group Limited”, and the dual foreign name in Chinese of the Company from “中國升海食品控股有限公司” to “中國升海集團有限公司”.

#### **Conditions of the Change of Company Name**

The Change of Company Name is subject to the following conditions:

- (i) the passing of a special resolution by the Shareholders approving the Change of Company Name at the AGM; and
- (ii) the approval of the Registrar of Companies in the Cayman Islands having been obtained for the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date of issue of the certificate of incorporation on change of name by the Registrar of Companies in the Cayman Islands. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

#### **Effect of the Change of Company Name**

The Change of Company Name will not affect any rights of the holders of securities of the Company or the Company’s daily business operation and its financial position.

All existing share certificates in issue bearing the present name of the Company shall, upon the Change of Company Name becoming effective, continue to be good evidence of title to the Shares and valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for exchange of the existing share certificates. Once the Change of Company Name becomes effective, new share certificates will be issued only in the new name of the Company.

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## LETTER FROM THE BOARD

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In addition, upon the Change of Company Name becoming effective and subject to the confirmation by the Stock Exchange, the Company will change its English and Chinese stock short names for trading in the Shares on the Stock Exchange accordingly. Subject to the Change of Company Name becoming effective, the Company may also adopt a new company logo.

### **Reason for the Change of Company Name**

The Board considers that the Change of Company Name will better reflect the current status of the Group and its direction of future development. The Board believes that the new English and Chinese names of the Company will provide the Company with a new corporate image which will benefit the Company's future business development. Therefore, the Board considers that the Change of Company Name is in the best interests of the Company and the Shareholders as a whole.

Details of the aforesaid ordinary resolution are set out in special resolution no. 8 in the notice of the AGM.

### **ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice convening the AGM to be held at 20/F, OfficePlus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Monday, 25 May 2020 at 2:30 p.m. is set out on pages 30 to 35 of this circular. At the AGM, resolutions will be proposed to approve, among other matters, the granting of the General Mandate, the Share Repurchase Mandate and the Extension Mandate; the re-election of retiring Directors; the re-appointment of auditors; the Share Consolidation and Change of Company Name.

A form of proxy for use in connection with the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.xmwofan.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjourned meeting thereof) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

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## LETTER FROM THE BOARD

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### VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results of the AGM will be made by the Company after the AGM, in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### PRECAUTIONARY MEASURES FOR THE AGM

With the outbreak and spreading of the COVID-19 pandemic, the requirements for the prevention and control of its spreading should be heightened. The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights to attend and to vote at the AGM, but is conscious of the pressing need to protect the Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of the Shareholders, the Company would like to encourage the Shareholders to exercise their rights to vote at the AGM by appointing the Chairman of the AGM as their proxy instead of attending the AGM in person. Physical attendance is not necessary for the purpose of exercising Shareholders' rights. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof should they subsequently so wish.

The deadline to submit completed proxy forms is Saturday, 23 May 2020 at 2:30 p.m. Completed proxy forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

**Shareholders are strongly encouraged to cast their votes by submitting a proxy form appointing the Chairman of the AGM as their proxy.**

To safeguard the health and safety of Shareholders who might be attending the AGM in person, the Company will also implement the following measures at the AGM:

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the main entrance of the AGM Venue. Any person with a body temperature above the reference range quoted by the Department of Health of Hong Kong from time to time, or is exhibiting flu-like symptoms may be denied entry into the AGM Venue and be requested to leave the AGM Venue.

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## LETTER FROM THE BOARD

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- (2) Every attendee will be required to submit a completed a health declaration form prior to entering the AGM Venue.
- (3) Every attendee will be required to wear a surgical face mask throughout the AGM and sit at a distance from other attendees. Please note that no masks will be provided at the AGM Venue and attendees should wear their own masks.
- (4) No gifts, refreshments or drinks will be provided to attendees at the AGM.

Attendees are in addition requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the AGM Venue or require any person to leave the AGM Venue so as to ensure the health and safety of the attendees at the AGM.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the Company's website at [www.xmwofan.com](http://www.xmwofan.com) for future announcements and updates on the AGM arrangements.

### RECOMMENDATION

At the AGM, resolutions will be proposed to approve, among other matters, the granting of the General Mandate, the Share Repurchase Mandate and the Extension Mandate; the re-election of retiring Directors; the re-appointment of auditors; the Share Consolidation and Change of Company Name.

The Directors believe that the proposed grant of the General Mandate, the Share Repurchase Mandate and the Extension Mandate, the re-election of Directors and the re-appointment of the auditors are in the best interests of the Company and the Shareholders. The Directors believe that an exercise of the General Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. The Share Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that such repurchase of Shares will benefit the Company and the Shareholders. An exercise of the Share Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital requirements or the gearing levels of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions to be proposed at the AGM to approve the proposed grant of the General Mandate, the Share Repurchase Mandate and the Extension Mandate, the re-election of Directors and the reappointment of the auditors.

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## LETTER FROM THE BOARD

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In addition, the Board considers that the Share Consolidation and Change of Company Name are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed ordinary and special resolutions to approve the Share Consolidation and Change of Company Name at the AGM.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company for the AGM will be closed from Wednesday, 20 May 2020 to Monday, 25 May 2020, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 19 May 2020.

### **RESPONSIBILITY OF DIRECTORS**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **GENERAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices to this circular.

### **LANGUAGE**

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
For and on behalf of the Board  
**Liu Rongru**  
*Executive Director*

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the AGM, are provided below.

**(1) Ms. Li Jiayin (“Ms. Li”)**

***Position, experience and relationship***

Ms. Li Jiayin (李佳音), aged 36, is our Executive Director. She was appointed as an Executive Director on 9 September 2019. She is primarily responsible for business development, overall management and strategic planning of our Group. Ms. Li graduated from Auckland University of Technology, New Zealand with a bachelor’s degree in finance in 2008. She worked as the department head at Le Brun Peirse Limited from 2008 to 2012, and as a senior management at BP Oil Group in 2013. She joined Moody Group in 2014, and has been serving as the regional head of Europe, North America and the chief executive officer of Moody Group. From March 2018 to August 2018, she was appointed as an executive director of Wang Tai Holdings Limited (currently known as “Moody Technology Holdings Limited”) (stock code: 1400) and she has been the acting chairlady of such company from August 2018 to April 2019. Ms. Li is currently the authorized representative of Shenzhen National Development Fund Management Limited (深圳國展基金管理有限公司), a member of the Asset Management Association of China (中國證券投資基金業協會) and a Certified Financial Planner in China.

As far as the Directors are aware, Ms. Li does not have any relationship with other Directors, senior management, substantial Shareholders or Controlling shareholders.

***Interests in Shares***

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Li was not interested or deemed to be interested in the Shares or the associated corporations of the Company pursuant to Part XV of the SFO.

***Length of service and Director’s emoluments***

Ms. Li has entered into a service contract with the Company for a term of three years commencing from 9 September 2019, which may be terminated by not less than three months’ notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Ms. Li is entitled to a monthly salary of HK\$50,000 and a discretionary bonus.

For the year ended 31 December 2019, the total emoluments paid to Ms. Li is approximately RMB165,000 (including Director's fee, salaries, allowances and benefits in kind, discretionary bonus and retirement scheme contributions). The remuneration of Ms. Li was determined with reference to the prevailing market conditions, Ms. Li's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's Remuneration Committee from time to time.

**(2) Mr. Li Dongfan ("Mr. Li")**

***Position, experience and relationship***

Mr. Li Dongfan (李東凡), aged 35. Mr. Li is an entrepreneur and he held a degree of Doctor of Philosophy (Finance) granted by Brampton International University, Canada. From November 2017 to July 2018, Mr. Li held various positions of vice chairman, executive director and the joint-chairman of the board of directors of Blockchain Group Company Limited, a company listed on The Stock Exchange of Hong Kong (the "Stock Exchange") (Stock Code: 364). From April 2018 to August 2018, Mr. Li served as the executive director and chairman of Moody Technology Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1400).

As far as the Directors are aware, Mr. Li does not have any relationship with other Directors, senior management, substantial Shareholders or Controlling shareholders.

***Interests in Shares***

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Li was not interested or deemed to be interested in the Shares or the associated corporations of the Company pursuant to Part XV of the SFO.

***Length of service and Director's emoluments***

Mr. Li has entered into a service contract with the Company for a term of three years commencing from 14 January 2020, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Pursuant to the service contract, Mr. Li is entitled to a monthly salary of HK\$80,000.

For the year ended 31 December 2019, the total emoluments paid to Mr. Li is approximately RMBNil (including Director's fees, salaries, allowances, benefits in kind and retirement scheme contributions). The remuneration of Mr. Li was determined with reference to the prevailing market conditions, Mr. Li's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's Remuneration Committee from time to time.

**(3) Mr. Liu Junting ("Mr. Liu")**

***Position, experience and relationship***

Mr. Liu Junting (劉俊廷), aged 30, was appointed as an Independent Non-executive Director on 14 January 2020. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Liu Junting graduated from Beijing Institute of Technology in July 2013. Mr. Liu Junting is currently the assistant manager of Zhuhai Lvzhou Industrial Limited. Since October 2019, Mr. Liu Junting was appointed as an independent non-executive director of Moody Technology Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1400).

As far as the Directors are aware, Mr. Liu does not have any relationship with other Directors, senior management, substantial Shareholders or Controlling shareholders.

***Interests in Shares***

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Liu was not interested or deemed to be interested in the Shares or the associated corporations of the Company pursuant to Part XV of the SFO.

***Length of service and Director's emoluments***

Mr. Liu has entered into a service contract with the Company for a term of three years commencing from 14 January 2020, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Pursuant to the service contract, Mr. Liu is entitled to a monthly salary of HK\$4,166.



For the year ended 31 December 2019, the total emoluments paid to Mr. Liu is approximately RMBNil (including Director's fees, salaries, allowances, benefits in kind and retirement scheme contributions). The remuneration of Mr. Liu was determined with reference to the prevailing market conditions, Mr. Liu's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's Remuneration Committee from time to time.

**(4) Mr. Pang Wai Ching (“Mr. Pang”)**

***Position, experience and relationship***

Mr. Pang Wai Ching (彭偉正), aged 31, was appointed as our Independent non-executive Director on 19 October 2019. Mr. Pang received a Bachelor of Business Administration in Accountancy from City University of Hong Kong in July 2010. He was admitted as a member of the HKICPA in March 2015. Mr. Pang joined KPMG in October 2010 and left the firm in November 2014, with his last position held as an assistant manager. He served as assistant manager of group internal audit department of Melco Services Limited between November 2014 and September 2015. Mr. Pang rejoined KPMG in October 2015 and left the firm in July 2017 with his last position held as a manager. He also worked as a financial controller of Golden Bright Hong Kong Group Limited from July 2017 to April 2018. Mr. Pang has been the company secretary of Fusen Pharmaceutical Company Limited (stock code: 1652), a company listed on the Main Board, since April 2019. He has also been appointed as the company secretary of Orange Tour Cultural Holding Limited (stock code: 8627), a company listed on GEM, since June 2018. He is currently the director of Techson Management Limited, a company primarily engaged in accounting and training services.

As far as the Directors are aware, Mr. Pang does not have any relationship with other Directors, senior management, substantial Shareholders or Controlling shareholders.

***Interests in Shares***

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Pang was not interested or deemed to be interested in the Shares or the associated corporations of the Company pursuant to Part XV of the SFO.

***Length of service and Director's emoluments***

Mr. Pang has entered into a service contract with the Company for a term of three years commencing from 19 October 2019, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Mr. Pang is entitled to a monthly salary of HK\$15,000 and a discretionary bonus.

For the year ended 31 December 2019, the total emoluments paid to Mr. Pang is approximately RMB32,000 (including Director's fee, salaries, allowances and benefits in kind, discretionary bonus and retirement scheme contributions). The remuneration of Mr. Pang was determined with reference to the prevailing market conditions, Mr. Pang's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's Remuneration Committee from time to time.

**(5) General**

Save as disclosed above, there are no other matters relating to the re-election of the retiring Directors that are required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and no other matters need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

### **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,000,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the AGM in respect of the granting of the Share Repurchase Mandate and on the basis that the number of issued Shares of the Company remains unchanged between the Latest Practicable Date and the date of the AGM i.e. being 1,000,000,000 Shares, the Directors would be authorised under the Share Repurchase Mandate to repurchase (during the period in which the Share Repurchase Mandate remains in force) a maximum of 100,000,000 Shares), representing 10% of the number of issued Shares as at the date of the AGM.

### **3. REASONS FOR REPURCHASE OF SHARES**

The Directors have no present intention to repurchase any Shares but consider that the Share Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The number of Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

**4. FUNDING OF REPURCHASE**

The Company is empowered by the Articles to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Cayman Companies Law, the Listing Rules and/or other applicable laws, rules and regulations, as the case may be.

Any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if authorized by the Articles and subject to the Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The premium, if any, payable on repurchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are repurchased or, if authorized by the Articles and subject to Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The Shares so repurchased will be treated as cancelled but the aggregate amount of authorized share capital will not be reduced.

The Company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or settlement otherwise than in accordance with the trading rules of the Stock Exchange.

**5. IMPACT OF REPURCHASE**

There might be an impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**6. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during the 12 months proceeding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2019</b>		
April	0.250	0.202
May	0.226	0.200
June	0.229	0.207
July	0.219	0.197
August	0.200	0.148
September	0.175	0.145
October	0.166	0.133
November	0.155	0.123
December	0.135	0.124
<b>2020</b>		
January	0.136	0.120
February	0.238	0.107
March	0.153	0.089
April (up to the Latest Practicable Date)	0.116	0.065

**7. DISCLOSURE OF INTEREST**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders. The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

## 8. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued share capital of the Company. Their respective interest as at the Latest Practicable Date is shown under the column "Approximate % of the issued share capital before a possible exercise of the Repurchase Mandate" while the respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the AGM (and assuming that the issued share capital remains unchanged up to the date of the AGM) is shown under the column "Approximate % of the issued share capital should the Repurchase Mandate be exercised in full":

Name of Shareholder	Nature of Interest	Number of Shares held	Approximate % of the issued share capital before a possible exercise of the Repurchase Mandate	Approximate % of the issued share capital should the Repurchase Mandate be issued in full
Precisely Unique Limited ("Precisely Unique") (Note 2)	Beneficial Owner	525,000,000 ordinary Shares (L)	52.50%	58.33%
Mr. Liu Rongru ("Mr. Liu") (Note 2)	Interest in controlled corporation	525,000,000 ordinary Shares (L)	52.50%	58.33%
Ms. Lin Yueying ("Ms. Lin") (Note 3)	Interest of spouse	525,000,000 ordinary Shares (L)	52.50%	58.33%

The above are calculated based on 1,000,000,000 Shares in issue as at the Latest Practicable Date.

*Notes:*

- (1) The letter (L) denotes the person's long interest in the Company's Shares.
- (2) Precisely Unique is a company incorporated in the BVI and is wholly-owned by Mr. Liu. Mr. Liu is deemed to be interested in all the Shares held by Precisely Unique for the purpose of the SFO.
- (3) Ms. Lin is the spouse of Mr. Liu and is deemed, or taken to be interested in all Shares in which Mr. Liu has interest under the SFO.

In the event that the Directors exercise the Repurchase Mandate in full, the interest of the abovenamed persons would be increased as shown in the table above.

On the basis of the shareholding named above, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeover Code.

## **9. REPURCHASE OF SHARES MADE BY THE COMPANY**

The Company has not bought back any Shares whether on the Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

## **10. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the Articles and all applicable laws of the Cayman Islands.

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## NOTICE OF ANNUAL GENERAL MEETING

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### China Shenghai Food Holdings Company Limited

### 中國升海食品控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1676)**

**Notice is hereby given** that an AGM of China Shenghai Food Holdings Company Limited (the “**Company**”) will be held at 20/F, OfficePlus@Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Monday, 25 May 2020 at 2:30 p.m. (Hong Kong time) for the following purposes:

#### **ORDINARY BUSINESS**

1. To receive the audited consolidated financial statements of the Company and the reports of the Directors and auditors for the year ended 31 December 2019.
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
  - (a) to re-elect Ms. Li Jiayin as Executive Director;
  - (b) to re-elect Mr. Li Dongfan as Non-executive Director;
  - (c) to re-elect Mr. Liu Junting as Independent Non-executive Director;
  - (d) to re-elect Mr. Pang Wai Ching as Independent Non-executive Director; and
  - (e) to authorise the Board of Directors to fix the directors’ remuneration.
3. To re-appoint BDO Limited as auditors and to authorise the Board of Directors to fix their remuneration.



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### SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

4. **“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and
- (c) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the mandate in paragraph (a) above shall authorise the Directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company;
  - (iii) the exercise of rights of subscription or conversion under the terms of any securities issued by the Company which are convertible or exercisable into shares of the Company; or
  - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the number of the issued shares of the Company on the date of the passing of this resolution and the said mandate shall be limited accordingly; and

- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

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- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

6. “**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate number of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the aggregate number of shares of the Company in issue on the date of the passing of this resolution.”
7. “**THAT** subject to and conditional upon, among other things, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval to the listing of, and the permission to deal in, the Consolidated Shares (as defined below) upon the Share Consolidation (as defined below) becoming effective:
- (a) with effect from the second day of trading of the Stock Exchange immediately following the date on which this resolution is passed, being a day on which shares of the Company are traded on the Stock Exchange, every ten (10) issued and unissued ordinary share(s) of HK\$0.01 each in the share capital of the Company be consolidated into one (1) ordinary share of HK\$0.10 each (the “**Consolidated Shares**” and each a “**Consolidated Share**”), such Consolidated Shares shall rank *pari passu* in all respects with each other (the “**Share Consolidation**”);

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- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit; and
  - (c) the Directors be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Share Consolidation.”
8. To consider and, if thought fit, pass with or without amendments, the following resolution as special resolution:

“**THAT** the English name of the Company be changed “China Shenghai Food Holdings Company Limited” to “China Shenghai Group Limited”, and the dual foreign name in Chinese of the Company from “中國升海食品控股有限公司” to “中國升海集團有限公司” (collectively, the “**Change of Company Name**”), and that any one director of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents and instruments for and on behalf of the Company as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Change of Company Name and to attend to any necessary registration and/or filing for and on behalf of the Company in respect of such change.”

By Order of the Board  
**China Shenghai Food Holdings Company Limited**  
**Liu Rongru**  
*Executive Director*

Hong Kong, 22 April 2020

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*Notes:*

1. All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy (or more than one proxy if he is the holder of two or more shares) to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 20 May 2020 to Monday, 25 May 2020 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration by not later than 4:30 p.m. (Hong Kong time) on Tuesday, 19 May 2020.
5. As at the date of this notice, the Executive Directors of the Company are Mr. Lin Rongru and Ms. Li Jiayin; the Non-executive Director of the Company was Mr. Li Dongfan and the Independent Non-executive Directors of the Company are Mr. Liu Dajin, Mr. Liu Junting and Mr. Pang Wai Ching.