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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)**

## **CLARIFICATION ANNOUNCEMENT**

### **MAJOR TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY**

Reference is made to the announcement of Jiashili Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 18 January 2023 (the “**Announcement**”) in relation to the Acquisition. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless defined otherwise.

#### **Implications of the Acquisition under the Listing Rules**

The Company wishes to clarify that based on the calculation under Rule 14.15 of the Listing Rules, one of the relevant percentage ratios in respect of the Agreement and the transactions contemplated thereunder is more than 25% but less than 100%, thus the Agreement and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules, and shall be subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

With regard to the Acquisition, there is a significant disparity between the appraised market value of the Property and the value of the Consideration. Pursuant to Rule 14.15(1) of the Listing Rules, where there is a significant disparity between the fair value of the consideration and the fair value of the asset, the listed issuer must use the higher of the fair value of the consideration and the fair value of the asset as the numerator of the consideration ratio. Due to the Company’s inadvertent misconception and misunderstanding of the relevant requirement under Rule 14.15(1) of the Listing Rules in its original calculation, the Company failed to use the appraised market value of the Property as the numerator of the consideration ratio and thus misclassified the Acquisition as a discloseable transaction, which constituted a non-compliance with Rule 14.15(1) of the Listing Rules.

The Company will be more vigilant to the requirements of notifiable transactions under the Listing Rules. The Company have/will put in place the following remedial measures to further enhance the compliance function of the Group and to prevent re-occurrence of similar incidents of non-compliance:

1. The Company will engage external legal advisers to provide training to the Directors, senior management, company secretary and management and finance team of the Company on compliance with the Listing Rules and other applicable laws and regulations, so as to further strengthen their understanding and knowledge of relevant regulatory requirements.
2. The Company will, should the need arise, seek advice from external legal advisers and/or other professional advisors, such as auditors and professional valuers, at earlier stage of the proposed transactions as to any action required to be taken under the Listing Rules and other application laws and regulations in connection with the proposed transactions in the future.
3. All the responsible staff have been reminded to strictly adhere to the reporting flow for transactions which may have potential implications under the Listing Rules.
4. The Board will further review the internal control and compliance systems of the Company to identify any other weakness, and enhance the internal control procedures of the Group from time to time, thereby ensuring strict compliance with the Listing Rules.

The Board is of the view that the implementation of the above follow-up actions and remedial measures would effectively prevent the re-occurrence of similar incidents.

### **Written shareholders' approval**

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder; and (b) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company is to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Kaiyuan Investments Limited (“**Kaiyuan**”), the ultimate beneficial owner of which is Mr. Huang Xianming, holds 276,168,000 Shares, representing approximately 66.55% of the issued share capital of the Company. As the Company has obtained a written approval from Kaiyuan for the Agreement and the transactions contemplated thereunder as at the date of this announcement, no extraordinary general meeting of the Company will be convened by the Company for the purpose of approving the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

### **Despatch of circular**

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Agreement and the transactions contemplated thereunder (the “**Circular**”) must be despatched to the Shareholders within 15 business days after publication of this announcement. As additional time is required for the Company to prepare and finalise the information relating to, among other things, the financial information of the Group and the valuation report on the Property for inclusion in the Circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and an extension of the deadline for the despatch of the Circular to a date on or before 25 March 2023. Further announcement will be made by the Company when the waiver is obtained.

Save as disclosed above, the Board confirms that all information in the Announcement remains unchanged.

By Order of the Board  
**Jiashili Group Limited**  
**Huang Xianming**  
*Chairman*

Hong Kong, 20 February 2023

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