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GUOQUAN FOOD (SHANGHAI) CO., LTD.

鍋圈食品(上海)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2517)

VOLUNTARY ANNOUNCEMENT

ACQUISITION OF 41% EQUITY INTEREST IN THE TARGET COMPANY

This announcement is made by Guoquan Food (Shanghai) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company and potential investors with the latest business information about the Group.

On September 27, 2024, the Company (as the acquirer), Hainan Free Trade Zone Hainabian Import & Export Trading Co., Ltd. (海南自貿區海那邊進出口貿易有限公司) (an independent third party, as “**Transferor I**”) and Beihai Beixin Enterprise Management Center (Limited Partnership) (北海北新企業管理中心(有限合夥)) (an independent third party, as “**Transferor II**”) entered into an equity acquisition agreement (the “**Equity Acquisition Agreement**”), pursuant to which, subject to the Equity Acquisition Agreement, the Company will acquire 35.1% equity interest and 5.9% equity interest in Beihai Daixiaji Food Co., Ltd. (北海逮蝦記食品有限公司) (the “**Target Company**”) from Transferor I and Transferor II at a consideration of RMB210.6 million and RMB35.4 million, respectively, amounting to a total of 41% equity interest in the Target Company (the “**Acquisition**”). The Acquisition will be funded by the Company’s internal resources and in part by the proceeds from the Global Offering. Prior to the Acquisition, the Group already held 10% equity interest in the Target Company through Guoquan Investment Management (Shanghai) Co., Ltd. (鍋圈投資管理(上海)有限公司), a wholly-owned subsidiary of the Company, and according to the 2021 equity investment agreement in respect of the Target Company, such equity interest is subject to a voting rights proxy arrangement. Immediately following the completion of the Acquisition, although the Group will hold a total of 51% equity interest in the Target Company, the Target Company will not be a subsidiary of the Company, but an associate of the Company, and the portion of its net profit attributable to the Group will be recognized in Group’s consolidated statement of profit or loss. China International Capital Corporation Hong Kong Securities Limited was appointed as the financial adviser of the Company in relation to the Acquisition.

The Target Company is principally engaged in the production, research and development and sales of shrimp paste, beef paste, pork paste, chicken paste, cuttlefish paste, fish paste and other paste food, with shrimp paste as the main category and other paste products to enrich the product matrix, which has a good synergistic effect with the Group. The Group has always been committed to food safety and quality assurance, with high requirements for its suppliers. Upon the completion of the Acquisition, the Target Company will change from a participating company to an associate of the Group, which will enhance the Group’s control over the upstream supply chain of key products under its one-product-one-factory strategy, and strengthen the Group’s stability of obtaining the supply of high-quality products that meet food safety standards, so as to intensify the Group’s upstream supply chain market layout, deepen the synergy and resource integration and further improve the Group’s overall profitability.

The terms of the Acquisition (including the Equity Acquisition Agreement) have been determined after arm's length negotiations between the parties. The board of directors (the "**Board**") of the Company is of the view that the Acquisition is carried out on normal commercial terms, which are fair and reasonable, consistent with the Group's overall development strategy and in the interests of the Company and its shareholders as a whole.

As all of the applicable percentage ratios of the Acquisition calculated under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") are less than 5%, the Acquisition does not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

The completion of the Acquisition is subject to the satisfaction and/or waiver (if applicable) of various conditions precedent, including passing the necessary review of concentrations of undertakings, etc.. As such, there is still uncertainty as to whether or when the Acquisition will be completed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Guoquan Food (Shanghai) Co., Ltd.
鍋圈食品(上海)股份有限公司
Mr. Yang Mingchao
*Chairperson of the Board, Executive Director
and Chief Executive Officer*

Hong Kong, September 27, 2024

As at the date of this announcement, the Board of the Company comprises Mr. Yang Mingchao, Mr. Meng Xianjin, Mr. An Haolei and Ms. Luo Na as executive directors; Mr. Yi Jiayu and Mr. Liu Zhengzheng as non-executive directors; Mr. Zeng Xiaosong, Ms. Yu Fang Jing, Mr. Li Jianfeng and Mr. Shi Kangping as independent non-executive directors.