

日期：2025 年 4 月 8 日

JINYI CAPITAL MULTI-STRATEGY FUND SPC LTD.

与

菁裕企业发展（山东）有限公司

不可撤销承诺契据

凯易律师事务所

香港

中环皇后大道中 15 号

置地广场 告罗士打大厦 26 楼

目录

条款	页码
1 释义	3
2 股份所有权	5
3 交易	5
4 不可撤销承诺	5
5 陈述与保证	5
6 投票权及不利行为	6
7 同意事项	6
8 保密信息	6
9 终止	7
10 通知	7
11 其他事项	8
12 成本	8
13 完整协议	8
14 变更	8
15 进一步保证	8
16 副本	9
17 适用法律及管辖权	9
附件 A 公告	10
附表 1 截至本承诺书签署之日的受要约股份	11
附表 2 保证	12
附表 3 要约人的陈述与保证	13

本不可撤销承诺书于 2025 年 4 月 8 日由以下双方签署：

- (1) JinYi Capital Multi-Strategy Fund SPC Ltd.，一家于开曼群岛注册成立的有限责任公司，注册地址为 4th Floor, Harbour Place, 103 South Church Street, P.O.Box 10240, Grand Cayman KY1-1002, Cayman Islands（以下简称“义务人”）；及
- (2) 菁裕企业发展（山东）有限公司，一家于中华人民共和国（以下简称“中国”）注册成立的有限公司，注册地址为中国山东省聊城市阳谷县侨润街道东焦海村 685 号 101（以下简称“要约人”）。

鉴于：

- (A) 山东凤祥股份有限公司（以下简称“公司”）是一家于中国注册成立的股份有限公司，已发行的 H 股目前在联交所上市（股份代号：9977），注册地址为中国山东省聊城市阳谷县安乐镇刘庙村。截至本承诺书签署之日，公司的已发行股本为 1,583,348,000 股，其中包括 1,045,000,000 股内资股和 538,348,000 股 H 股，其中 47,478,000 股 H 股（占 H 股总数的约 8.82%及公司已发行股本的约 3.00%）由义务人法定并实益拥有。
- (B) 要约人拟根据公告中规定的条款和条件以及本承诺书中所述内容推进合并事项。
- (C) 根据本承诺书的条款，义务人同意不可撤销地承诺行使或促使行使与所有受要约股份相关的投票权，在公司临时股东大会和 H 股类别股东大会上投票赞成批准合并及存续安排（视情况而定）的提案，具体按照综合文件中规定的条款和条件。

现双方约定如下：

1 释义

1.1 本承诺书中未定义的术语应按公告中所赋予的含义进行解释。

1.2 本承诺书中，下列术语具有以下含义：

“公告”指要约人与公司根据《收购守则》第 3.5 条就合并刊发的联合公告，其最新稿附于附件 A 中；

“适用法律”指就任何人士而言，由任何当局作出且适用于该人士的任何法律、规则、法规、指引、衍生条例、条约、判决、法令、裁决或通知；

“当局”指任何相关的政府、行政或监管机构，或法院、仲裁机构、仲裁员、政府机关或部门（包括任何相关证券交易所），无论其是超国家、国家、地区还是地方的；

“营业日”指香港银行营业的日子（不包括星期六、星期日、公共假期，或在香港上午 9 点至下午 5 点之间有热带气旋 8 号或以上警告信号或“黑色暴雨警告”信号发出或持续有效的日子）；

“中央结算系统”指香港结算所建立和运营的中央结算及交收系统；

“中央结算系统参与者”指目前由香港结算接受为中央结算系统参与者的人士；

“公司”具有序文（A）所赋予之含义；

“完成日期”指合并完成的日期；

“寄送日期”指综合文件寄送的日期；

“负担”指任何抵押、质押、留置权、选择权、限制性条款、优先购买权、优先认购权、第三方权利或权益、其他任何类型的负担或担保权益，或具有类似效果的其他优先安排（包括但不限于所有权转移或保留安排）；

“香港国际仲裁中心”具有第 17.2 条所赋予之含义；

“香港结算”指香港中央结算有限公司；

“港元”指香港的法定货币；

“通知”指根据本承诺书条款发出的通知，并按第 10 条予以解释；

“受要约股份”指（i）义务人所持有的股份，其详情列载与附表 1，（ii）义务人于本承诺书签署之日后可能收购的任何其他股份，以及（iii）根据第（i）条和第（ii）条的股份衍生或派生的任何其他股份（包括但不限于任何股票股利）；

“双方”指本承诺书的签署方，“一方”指其中任一方；

“仲裁规则”具有第 17.2 条所赋予之含义；

“承诺书”指本承诺书及其不时之修改或变更；且

“保证”指义务人在本承诺书中作出的陈述和保证，其详情列载于第 2.1 条及附表 2。

- 1.3 本承诺书中提及的法律条款应被解释为指该等条款的不时修订或重新颁布的版本，或依据其他条款（无论是本承诺书签署之前或之后）而使其适用被修改的版本，并应包括该等条款重新颁布的版本（无论是否经过修改）。
- 1.4 本承诺书中提及的条款和附表应指本承诺书中的条款和附表，除非上下文另有要求，本承诺书的附表应视为本承诺书的一部分。
- 1.5 在本承诺书中，“义务人”和“要约人”的表述，如上下文允许，亦应包括双方各自的继任人和被许可的受让人。为避免疑义，如果任何一方发生合并，则该方的存续实体应视为该方的继任者。
- 1.6 本承诺书中的标题仅为方便起见而设，不影响本承诺书的解释。
- 1.7 本承诺书中提及的以下术语应按以下方式解释：

1.7.1 “持有”或“拥有权益”应依据《证券及期货条例》的规定进行解释；且

1.7.2 “营业日”（非加粗时）、“交易”和“要约期间”应按照《收购守则》进行解释。

2 股份所有权

2.1 在本**承诺书**未被终止的前提下，**义务人**特此陈述、保证并承诺，在本**承诺书**签署日、寄送日期及完成日期时：

2.1.1 **义务人**是受**要约股份**的注册持有人及唯一实益所有人，且该等**股份**不受任何**负担**的限制，而且所有该等**受要约股份**已适当配发、发行并全额缴足；

2.1.2 除附表 1 中所列外，**义务人**不持有公司的任何其他证券，且没有权利认购、购买或以其他方式获取公司的任何证券。

3 交易

3.1 **义务人**承诺，除非与**合并**相关，或根据下述第 4 条的规定，否则在**完成日期**前，**义务人**不得，且应确保**受要约股份**的相关注册持有人不得出售、转让、抵押、负担、设立或授予任何选择权或留置权，或以其他方式处置（或允许任何此类行为发生于）全部或任何**受要约股份**或其中的任何权益。

4 不可撤销承诺

4.1 在**合并**项下**要约人**就 **H 股**支付注销价金额不低于每股 **H 股** 2.0 港元的前提下，**义务人**不可撤销地承诺行使或促使按照**综合文件**中规定的条款及条件行使与所有**受要约股份**相关的投票权，在公司临时股东大会和 **H 股类别**股东大会上投票赞成批准**合并**及**存续安排**（视情况而定）的提案。

4.2 **义务人**不可撤销地承诺，在根据第 4.1 条行使或促使行使**受要约股份**的任何投票权时，若任何**受要约股份**注册在**香港**结算或其代理人名下，并在**中央结算系统**中持有，**义务人**应及时向相关**中央结算系统参与者**提供所有指示，采取所有必要行动，并签署所有必要文件，以确保相关**中央结算系统参与者**应使**香港**结算或其代理人按照指示在公司临时股东大会和 **H 股类别**股东大会上投票。

5 陈述与保证

5.1 在本**承诺书**未被终止的前提下，**义务人**向**要约人**陈述及保证，于本**承诺书**签署之日，所有**保证**在所有重大方面是真实、准确的，并在任何重大方面无误导性。于**寄送日期**和**完成日期**时，**义务人**被视为向**要约人**陈述及保证，所有**保证**在**寄送日期**和**完成日期**时是真实、准确的，并在任何重大方面无误导性。仅就此目的而言，若**保证**中明示或暗示提及“本**承诺书**签署之日”，则该等提及应视为指**寄送日期**或**完成日期**（视情况而定）。

- 5.2 每一项**保证**应被解释为独立且单独的**保证**，并且（除非另有明确规定）不得通过对本**承诺书**中的任何其他条款或任何其他**保证**的引用或推论而予以限制或约束。
- 5.3 **义务人**特此同意，在**适用法律**允许的范围内，尽快将其在本**承诺书**签署之日后至**完成日期**之间任何可能构成违反任何**保证**，或者可能使该等**保证**在任何重大方面不真实、不准确或具有误导性的事项、事件或情况（包括任何未履行的行为），以书面形式通知**要约人**。
- 5.4 **要约人**向**义务人**陈述及**保证**，附表 3 中列明的每项陈述和**保证**在本**承诺书**签署之日、**寄送日期**和**完成日期**时是真实、准确的，并且在任何重大方面不具有误导性。仅就此目的而言，若**保证**中明示或暗示提及“本**承诺书**签署之日”，则该等提及应视为指**寄送日期**或**完成日期**（视情况而定）。

6 投票权及不利行为

6.1 **义务人**不可撤销地承诺：

- 6.1.1 除非按照本**承诺书**的规定，否则**义务人**不得行使与**受要约股份**相关的任何投票权；
- 6.1.2 **义务人**应根据**要约人**的合理指示行使（或促使行使）与**受要约股份**相关的投票权，以协助**合并**及**存续安排**（视情况而定）的实施；且
- 6.1.3 **义务人**不得提出收购**公司**全部或任何部分已发行股本的要约，亦不得允许其直接或间接拥有任何权益的**公司**提出此类要约。

7 同意事项

7.1 **义务人**同意：

- 7.1.1 发布**综合文件**及与**合并**相关的任何其他公告，并在其中提及**义务人**及本**承诺书**的详细内容；
- 7.1.2 在任何关于**合并**的其他公告及**综合文件**中列出本**承诺书**的详细内容；且
- 7.1.3 本**承诺书**在要约期间可供查阅。

- 7.2 每一方应尽商业上的合理努力，向其他各方提供其合理要求的所有信息和协助，以便符合《**收购守则**》、**上市规则**及与**合并**相关的所有**适用法律**的要求。

8 保密信息

义务人与**要约人**相互承诺对以下事项保密（除非《**收购守则**》、**上市规则**或任何**适用法律**要求披露）：（i）本**承诺书**中提及的事项；及（ii）双方所获得的、并同意仅用于**合并**所拟议之目的关于对方的所有信息。

9 终止

9.1 在以下情况下，本**承诺书**应立即终止：

9.1.1 如**合并协议**未能够根据其条款获得生效或根据其条款被终止；

9.1.2 如**合并**根据**合并协议**条款完成且**公司**成功于**联交所**完成退市；或

9.1.3 经**义务人**与**要约人**共同同意，

以先发生者为准。

9.2 如本**承诺书**根据其条款终止，本**承诺书**应立即在所有方面终止，且任何一方不得就本**承诺书**向任何其他方提出任何索赔，但：

9.2.1 第 1 条和第 8 条至第 17 条的条款应继续完全有效；且

9.2.2 终止应不影响每一方在本**承诺书**终止之日所拥有的已发生的权利、救济、义务及责任。

10 通知

10.1 根据本**承诺书**作出的或与之相关的**通知**应

10.1.1 以书面形式并使用英文或中文；且

10.1.2 亲自送达、通过电子邮件或通过快递发送至**应收通知一方**的电子邮件地址或地址（该等地址应在第 10.2 条中列明）或者**应收通知一方**在发送**通知**之前通过对另一方的书面通知而指定的其他电子邮件地址或地址。

10.2 根据本第 10 条的规定，**通知**应发送至以下电子邮件地址或地址，并注明相关收件人员：

10.2.1 送达予**义务人**，至：

地址： 北京市朝阳区东三环中路辅路乐成中心 B 座 1101
电子邮件地址： allensun@jinyicapital.com（并抄送
chenyi@zjnfct.com）
收件人员： 孙大雨/陈奕

10.2.2 送达予**要约人**，至：

地址： 香港皇后大道东 1 号太古广场 3 座 33 楼
电子邮件地址： ProjectFalcon@pag.com（并抄送
pagpelegal@pag.com）
收件人员： Wilson Lu / Lingjie Zhu / Minchu Wang

或按相关一方在发送**通知**之前不少于七（7）天的书面通知所指示的其他电子邮件地址或地址。

10.3 除非有证据表明**通知**早于以下时间收到，否则**通知**将于以下事项发生时视为已送达：

10.3.1 由专人送达的，在送达至第 10.2 条中所述地址时视为送达；

10.3.2 通过快递发送的，在寄出后两个（2）**营业日**视为送达；或

10.3.3 通过电子邮件发送的，如是在送达地的正常营业时间内，立即视为送达，否则在送达后的下一个**营业日**视为送达。

11 其他事项

11.1 本**承诺书**中提及的任何日期、时间或期限至关重要，除非**双方**书面同意变更任何日期、时间或期限，在此情况下，变更后的日期、时间或期限至关重要。

11.2 **义务人**已取得充分的机会考虑是否应签署本**承诺书**，并已就本**承诺书**的性质获得独立意见。

11.3 本**承诺书**不适用类推解释原则。任何由“其他”、“包括”、“包括在内”和“特别是”等词语引入的短语应被视为举例说明，且不应限制其前后词语的含义。

11.4 **双方**不希望本**承诺书**的任何条款由不是本**承诺书**当事方的任何人士依据《合同（第三者权利）条例》（香港法例第 623 章）强制执行。

12 成本

要约人和**义务人**各自承担在本**承诺书**的谈判、编制、签署及履行中其自身产生的成本。

13 完整协议

本**承诺书**构成完整协议，并取代**双方**之间有关本**承诺书**主题的任何先前协议（如有）。

14 变更

就本**承诺书**作出的任何变更仅在以书面形式作出且并由**双方**或其代表签署后有效。

15 进一步保证

义务人同意采取或促使采取所有合理的行动，以实施本**承诺书**的条款或本**承诺书**所涉及的任何交易或事项。

16 副本

本**承诺书**可以任何数量的副本签署，每一副本一经签署并交付即为原件，且所有副本共同证明同一份文书。

17 适用法律及管辖权

17.1 本**承诺书**受香港现行法律的管辖并据其解释。

17.2 任何因本**承诺书**引起或与之相关的争议、争论或索赔（包括任何关于本**承诺书**的存在、效力或终止，或任何条款的解释或强制执行的问题），如无法友好解决，应提交并由香港国际仲裁中心（“**香港国际仲裁中心**”）根据按照《香港国际仲裁中心机构仲裁规则》（“**仲裁规则**”）提交仲裁通知书时有效的**仲裁规则**进行有约束力的终局仲裁，**仲裁规则**视为并入本条并依据本条的其他部分而修改。

17.3 仲裁庭应由根据**仲裁规则**指定的唯一仲裁员组成。

17.4 仲裁地点应为香港。

17.5 仲裁程序的语言应为英文或中文。

附件 A
公告

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, 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 joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or the Company, nor is it a solicitation of any vote or approval in any jurisdiction. This joint announcement is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction.

菁裕企業發展（山東）有限公司
**Jingyu Enterprise Development
(Shandong) Co., Ltd.***
*(a company incorporated in the People's
Republic of China with limited liability)*


凤祥食品
SHANDONG FENGXIANG CO., LTD.
山東鳳祥股份有限公司
*(a joint stock company incorporated in the People's
Republic of China with limited liability)*
(Stock code: 9977)

JOINT ANNOUNCEMENT

**(1) PROPOSED PRE-CONDITIONAL PRIVATISATION
OF SHANDONG FENGXIANG CO., LTD. BY THE OFFEROR BY WAY
OF MERGER BY ABSORPTION**

(2) PROPOSED WITHDRAWAL OF LISTING

(3) SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT

[(4) IRREVOCABLE UNDERTAKING]

AND

(5) RESUMPTION OF TRADING IN H SHARES

Financial Adviser to the Offeror



1. INTRODUCTION

The Offeror and the Company are pleased to jointly announce that on [●] March 2025, the Offeror and the Company entered into the Merger Agreement, pursuant to which the Offeror and the Company will implement the Merger subject to the terms and conditions of the Merger Agreement, including the Pre-Conditions and the Conditions. After the Merger, the Company will be merged into and absorbed by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws.

2. PROPOSED TRANSACTION¹

Pursuant to the Merger Agreement, conditional upon the fulfilment (or waiver, as applicable) of the Pre-Conditions and the Conditions, the Offeror will pay the Cancellation Price in the amount of (a) HK\$2.0 per H Share to the H Shareholders for the cancellation of the H Shares and (b) RMB[●] per Domestic Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Domestic Shareholders for the cancellation of the Domestic Shares, other than Falcon Holding (being the parent company of the Offeror) and Platinum Peony (being a party acting in concert with the Offeror) as described in the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*” below.

As at the date of this joint announcement, there are no outstanding dividends which have been declared by the Company and not yet paid. If, after the date of this joint announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the gross amount or value of such dividend, distribution and/or, as the case may be, return of capital (before tax) after consultation with the Executive, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. Pursuant to the Merger Agreement, the Company has undertaken that it shall not announce, declare or pay any dividend, other distribution or other return of capital before termination of the Merger Agreement or the Delisting Date (whichever is earlier).

After the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered.

After fulfilment (or waiver, if applicable) of the Pre-Conditions and all the Conditions (being the Conditions to effectiveness and the Conditions to implementation), the Offeror shall: (i) as soon as possible and in any event no later than seven (7) business days, (x) pay the Cancellation Price to all H Shareholders (other than Falcon Holding and Platinum Peony) and (y) issue its registered capital to Falcon Holding pursuant to the Merger Agreement (as described in the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*” below) and (ii) as soon as possible and in any event no later than seven (7) business days or such later time as permitted by the Executive, pay the Cancellation Price to all Domestic Shareholders (other than Falcon Holding). Pursuant to the Merger Agreement, the

SFC0320Q4

¹ **Note to Draft:** Subject to updates based on the draft Merger Agreement.

Offeror will issue its registered capital to Platinum Peony after the Delisting Date and on a date to be separately agreed between the Offeror and Platinum Peony. As payment of the Cancellation Price to all Domestic Shareholders (other than Falcon Holding) is subject to completion of certain administrative procedures required under applicable PRC Laws, payment may not be completed within seven (7) business days after fulfilment (or waiver, if applicable) of the Pre-Conditions and all the Conditions (being the Conditions to effectiveness and the Conditions to implementation) as required under Rule 20.1 of the Takeovers Code. Based on the above, the Offeror will apply to the Executive for a waiver from strict compliance with Rule 20.1 of the Takeovers Code in relation to the settlement of the Cancellation Price payable to all Domestic Shareholders (other than Falcon Holding) and Platinum Peony respectively.

SFC0325Q1

On the basis of (i) the Cancellation Price of HK\$2.0 per H Share and RMB[●] per Domestic Share (equivalent to the Cancellation Price of HK\$2.0 per H Share based on the Exchange Rate), (ii) 538,348,000 H Shares and 1,045,000,000 Domestic Shares in issue as at the date of this joint announcement, and (iii) the Cancellation Price (x) for 137,265,505 H Shares and 992,854,500 Domestic Shares held directly by Falcon Holding and (y) for 156,679,000 H Shares held directly by Platinum Peony to be satisfied through the issuance of the registered capital of the Offeror as described in the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*” below, the amount of aggregate Cancellation Price required to be paid by the Offeror to cancel (i) the H Shares held by the H Shareholders and (ii) the Domestic Shares held by the Domestic Shareholders, other than Falcon Holding and Platinum Peony, is HK\$488,806,990 and approximately RMB[●], respectively.

Falcon Holding has undertaken with the Offeror to pay on its behalf the total consideration for cancellation of the H Shares, and the Offeror will pay the total consideration for cancellation of the Domestic Shares with financial resources made available by Falcon Holding. Falcon Holding has obtained binding equity commitment letter from PAG Fund IV, pursuant to which PAG Fund IV has irrevocably committed to make one or more direct or indirect capital contributions in cash to Falcon Holding for its use solely for the purpose of the Merger. It is contemplated that PAG Fund IV, as the key limited partner of Falcon Holding, will provide the aforementioned equity commitment as bridge financing for efficiency purpose, and the allocation amongst the limited partners of Falcon Holding will be arranged subsequently.

SFC0328Q5

After payment of consideration is made to the Shareholders by or on behalf of the Offeror, all rights attaching to such Shares shall cease to have effect and the relevant Shares shall be cancelled. The share certificates for the relevant Shares will cease to have effect as documents or evidence of title.

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

The Offeror reserves the right to introduce another manner to settle the Cancellation Price as follows:

The Offeror reserves its right to offer to all Shareholders (other than Falcon Holding and Platinum Peony) an alternative to cash settlement (the “Potential Share Alternative Offer”) of the Cancellation Price, through which such Shareholders may acquire the Potential Rollover Securities at an exchange ratio to be specified, provided that the total number of securities in the Company subject to the Potential Share Alternative Offer shall not exceed 5% of the total number of issued Shares in the Company as at the date of this joint announcement (i.e. 79,167,400 Shares) and in the event such Shareholders holding more than 5% of the Company’s issued Shares have indicated interest to take the Potential Share Alternative Offer, a proportional entitlement arrangement will be implemented, with the details of which to be announced by the Offeror in due course.

The Potential Share Alternative Offer is at the Offeror’s sole discretion and is subject to the pre-condition of receiving on or between the date of this joint announcement and 4:00 p.m. on [●] 2025 duly signed and dated letters of interest from intending Shareholders (other than Falcon Holding and Platinum Peony) holding, in aggregate, not less than 0.5% of the total number of issued Shares as at the date of this joint announcement (i.e. 7,916,740 Shares), expressing their indicative interest to elect Potential Share Alternative Offer. Should this pre-condition be met, and the Offeror exercises its discretion to make the Potential Share Alternative Offer, a new announcement under Rule 3.5 of the Takeovers Code will be made. Further details of the Potential Share Alternative Offer, if made by the Offeror, will be set out in the new announcement as referred to above.

For the avoidance of doubt, this represents the Offeror’s reservation of rights under Note 4 to Rule 18 of the Takeovers Code to introduce another form of consideration if the above pre-condition is met, and the Potential Share Alternative Offer may or may not be made. The Offeror will decide whether to exercise its discretion to make the Potential Share Alternative Offer as soon as reasonably practicable and in any event within two months after the above pre-condition is met.

SFC0328Q1

3. SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT

The Offeror would like to allow Platinum Peony to retain its shareholding in the Company after the Merger by way of the Rollover Arrangement. As at the date of this joint announcement, Platinum Peony holds 156,679,000 H Shares, representing approximately 29.10% of the H Shares and approximately 9.90% of the total issued share capital of the Company.

The Offeror is of the view that it is important for the Company to retain Platinum Peony after the Merger, which will enhance the Group’s competitiveness in the market and benefit the Group’s long-term sustainable development and growth.

To document the Rollover Arrangement, Platinum Peony has issued a confirmation letter² to the Offeror, pursuant to which Platinum Peony confirms that, subject to (i)

² **Note to Draft:** Subject to updates based on the draft confirmation letter.

the final offer price for the cancellation of H Shares held by Platinum Peony under the Merger being HK\$2.0 per H Share, and the registered capital of the Offeror to be issued to Platinum Peony being RMB[●], (ii) the signing of the Merger Agreement in the form attached to the confirmation letter, and (iii) there being no material deviation between the form and contents of the executed version of the Merger Agreement with the agreed form and contents of such agreement as appended to the confirmation letter, Platinum Peony agrees to be issued with RMB[●] registered capital of the Offeror for each H Share it holds, which is equivalent to the Cancellation Price in RMB based on the Exchange Rate for each H Share, in consideration for the cancellation of the H Shares it holds pursuant to the Merger Agreement.

In connection with the Rollover Arrangement, it is contemplated that the Offeror and Platinum Peony will enter into the Capital Increase Agreement shortly after satisfaction of all of the Conditions to effectiveness, and Falcon Holding and Platinum Peony will enter into the Shareholders Agreement on or around the same time as the signing of the Capital Increase Agreement.

As the Rollover Arrangement is not offered to all Shareholders (as the Potential Share Alternative Offer may or may not be made), the Rollover Arrangement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will (before the despatch of the Composite Document) make an application for consent from the Executive to the Rollover Arrangement conditional on: (i) the Independent Financial Adviser to the Independent Board Committee confirming that the Rollover Arrangement is fair and reasonable so far as the Independent H Shareholders are concerned; and (ii) the passing of an ordinary resolution by the Shareholders other than the Offeror, its concert parties and any other Shareholders who are involved or interested in the Rollover Arrangement (including Falcon Holding and Platinum Peony) at the EGM to approve the Rollover Arrangement. Accordingly, the Merger Agreement shall become effective subject to, among other things, (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Rollover Arrangement is fair and reasonable so far as the Independent H Shareholders are concerned; (ii) the passing of an ordinary resolution by the Shareholders other than the Offeror, its concert parties and any other Shareholders who are involved or interested in the Rollover Arrangement (including Falcon Holding and Platinum Peony) at the EGM to approve the Rollover Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangement.

SFC0320Q7

SFC0328Q2
&3

SFC0325Q4

SFC0325Q4

4. [IRREVOCABLE UNDERTAKING]³

On [●] March 2025, the Offeror obtained an irrevocable undertaking from [●], which holds [●] H Shares as at the date of this joint announcement (representing approximately [●]% of the H Shares held by the Independent H Shareholders, approximately [●]% of the H Shares and approximately [●]% of the total issued share capital of the Company as at the date of this joint announcement).

³ **Note to Draft:** To include based on discussion with (subject to the SFC's consent and approval) disinterested shareholders.

Pursuant to the Irrevocable Undertaking, [●] has irrevocably undertaken to the Offeror:

- (i) to exercise or procure the exercise of the voting rights attached to all of the IU Shares to vote in favour of the resolutions at the EGM and the H Share Class Meeting to approve the Merger and the Rollover Arrangement (as applicable), in accordance with the terms and subject to the conditions to be set out in the Composite Document;
- (ii) not to, and to procure that the relevant registered holder of the IU Shares not to, on or before the date of completion of the Merger, and other than in connection with the Merger or unless otherwise specified under the Irrevocable Undertaking, sell, transfer, charge, encumber, create or grant any option or lien over or otherwise dispose of (or permit any such action to occur in respect of) all or any of the IU Shares or any interest therein; and
- (iii) not to make any offer to acquire the whole or any part of the issued share capital of the Company nor permit any company in which it, directly or indirectly, has any interest to make such an offer.

The Irrevocable Undertaking shall terminate immediately if the Merger Agreement does not become effective or is terminated pursuant to its terms.]

5. PROPOSED WITHDRAWAL OF LISTING OF H SHARES

Upon satisfaction of the Pre-Conditions and all the Conditions to effectiveness, the Company will apply to the Stock Exchange for voluntary withdrawal of the listing of the H Shares from the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules.

The Company will issue separate announcement(s) notifying H Shareholders of the proposed withdrawal of listing and the exact dates and relevant arrangements for the last day for dealing in H Shares on the Stock Exchange as well as when the formal delisting of the H Shares will become effective.

The listing of the H Shares on the Stock Exchange will not be withdrawn if the Merger is not approved or lapses or does not become unconditional for any reason.

6. SHAREHOLDING IN THE COMPANY

As at the date of this joint announcement, the Company has 1,583,348,000 Shares in issue, which comprise 538,348,000 H Shares and 1,045,000,000 Domestic Shares.

As at the date of this joint announcement, the Offeror does not own any Share. Falcon Holding, which directly and beneficially owns the entire equity interest of the Offeror, directly holds (i) 137,265,505 H Shares, representing approximately 25.50% of the total issued H Shares and approximately 8.67% of the total issued share capital of the Company, and (ii) 992,854,500 Domestic Shares, representing approximately 95.01% of the total issued Domestic Shares and approximately 62.71% of the total issued share capital of the Company. As at the date of this joint announcement, Platinum Peony, a party acting in concert with the Offeror, directly holds

156,679,000 H Shares, representing approximately 29.10% of the total issued H Shares and approximately 9.90% of the total issued share capital of the Company.

As at the date of this joint announcement, save for the Shares and the Outstanding Share Awards, the Company does not have any outstanding options, warrants, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

7. DESPATCH OF COMPOSITE DOCUMENT

Subject to the fulfilment of the Pre-Conditions, the Company will convene the EGM and the H Share Class Meeting for the Shareholders and the H Shareholders respectively, to consider and, if thought fit, approve matters including the Merger and the Rollover Arrangement (as the case may be).

The Composite Document containing, amongst others, (i) further details of the Merger, the Merger Agreement, the Rollover Arrangement and other matters in relation to the Merger; (ii) a letter of advice issued by the Independent Financial Adviser to the Independent Board Committee; and (iii) recommendations and advice from the Independent Board Committee, together with a notice of the EGM, a notice of the H Share Class Meeting and proxy forms are expected to be despatched to the H Shareholders within seven (7) days after the satisfaction of the Pre-Conditions. The Offeror will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code to permit the Composite Document to be posted within the timeframe described above, and an announcement will be made in due course as required under the Takeovers Code.

8. BOARD APPROVAL, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board approved the Merger and its related matters at its board meeting on [●] March 2025.

The Board has established the Independent Board Committee, consisting of all of the independent non-executive Directors, being Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man. Each of Mr. Qiu Zhongwei, Mr. Lu Wei, Mr. Zhu Lingjie and Ms. Zhou Ruijia is a non-executive Director and is not a member of the Independent Board Committee as each is an employee of PAG and/or its subsidiaries, and Mr. Zhu Lingjie is also the sole director of the Offeror. The Independent Board Committee will advise the Independent H Shareholders as to: (a) whether the Merger and the Rollover Arrangement are fair and reasonable for the purpose of the Takeovers Code; and (b) voting at the EGM and the H Share Class Meeting.

SFC0325Q2

The Independent Financial Adviser will be appointed by the Company with the approval from the Independent Board Committee to provide advice to the Independent Board Committee in respect of the Merger and the Rollover Arrangement. An announcement will be made by the Company as soon as possible after the appointment of such Independent Financial Adviser. The Independent Board Committee is evaluating the Merger and the Rollover Arrangement, and its views

SFC0320Q9

and recommendations will be set out in the Composite Document to be despatched to the H Shareholders.

9. RESUMPTION OF TRADING IN THE H SHARES

At the request of the Company, trading in the H Shares on the Stock Exchange was halted from 9:00 a.m. on 17 March 2025 pending issuance of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on [●] March 2025.

WARNINGS

The Pre-Conditions and the Conditions to effectiveness must be satisfied before the Merger Agreement becoming effective. The Merger Agreement becoming effective is therefore a possibility only. Further, Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions to implementation set out in this joint announcement being satisfied or waived, as applicable. Neither the Offeror nor the Company provides any assurance that any or all Pre-Conditions or Conditions can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company.

Persons who are in doubt as to the action to take and the implications arising from the Merger should consult their stockbroker, bank manager, solicitor or other professional advisers (including tax adviser regarding the tax consequences of the cancellation of the H Shares and the implementation of the Merger).

NOTICE TO U.S. HOLDERS OF SHARES

The Merger will involve the cancellation of the securities of a company incorporated in the PRC with limited liability by means of a merger by absorption provided for under the laws of the PRC. The Merger is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this joint announcement has been prepared in accordance with China Accounting Standards for Business Enterprises and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The receipt of cash as consideration for the cancellation of the Shares by a U.S. holder of Shares pursuant to the Merger may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each Shareholder is urged to consult his/her/its independent professional advisor immediately regarding the tax consequences of the implementation of the Merger.

U.S. holders of Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as the Offeror and the Company are located in a country outside the United States and some or all of their respective officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to

sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. holders of Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Merger, before or during the Offer Period. In accordance with the Takeovers Code and Rule 14e-5(b) of the U.S. Exchange Act, CICC and its affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that (i) any such purchase or arrangement complies with applicable law, including but not limited to the Takeovers Code, and is made outside the United States and (ii) the Cancellation Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and, to the extent made public by the SFC, will be available on the websites of the SFC at <http://www.sfc.hk> and the Stock Exchange at www.hkexnews.hk.

R3.5(a)

1. INTRODUCTION

The Offeror and the Company are pleased to jointly announce that on [●] March 2025, the Offeror and the Company entered into the Merger Agreement, pursuant to which the Offeror and the Company will implement the Merger subject to the terms and conditions of the Merger Agreement, including the Pre-Conditions and the Conditions. After the Merger, the Company will be merged into and absorbed by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws.

2. PROPOSED TRANSACTION⁴

Pursuant to the Merger Agreement, conditional upon the fulfilment (or waiver, as applicable) of the Pre-Conditions and the Conditions, the Offeror will pay the Cancellation Price in the amount of (a) HK\$2.0 per H Share to the H Shareholders for the cancellation of the H Shares and (b) RMB[●] per Domestic Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Domestic Shareholders for the cancellation of the Domestic Shares, other than Falcon Holding (being the parent company of the Offeror) and Platinum Peony (being a party acting in concert with the Offeror) as described in the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*” below.

The amount of aggregate Cancellation Price required to be paid by the Offeror to cancel (i) the H Shares held by the H Shareholders and (ii) the Domestic Shares held by the Domestic Shareholders, other than Falcon Holding and Platinum Peony (as described in the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*” below), is HK\$488,806,990 and approximately RMB[●], respectively.

As at the date of this joint announcement, there are no outstanding dividends which have been declared by the Company and not yet paid. If, after the date of this joint

SFC0320Q4

⁴ **Note to Draft:** Subject to updates based on the final Merger Agreement.

announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the gross amount or value of such dividend, distribution and/or, as the case may be, return of capital (before tax) after consultation with the Executive, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. Pursuant to the Merger Agreement, the Company has undertaken that it shall not announce, declare or pay any dividend, other distribution or other return of capital before termination of the Merger Agreement or the Delisting Date (whichever is earlier).

After the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered.

3. PRINCIPAL TERMS OF THE MERGER AGREEMENT⁵

R3.5(a)

The principal terms and conditions of the Merger Agreement include:

Parties	(1) The Offeror; and (2) the Company.
Overview of the Merger	Subject to the terms and conditions of the Merger Agreement, which will involve a cancellation of all the Shares and the subsequent absorption of the Company by the Offeror, the Merger will be implemented by the Offeror merging the Company by way of merger by absorption. After the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered.
Consideration	Pursuant to the Merger Agreement, conditional upon the fulfilment (or waiver, as applicable) of the Pre-Conditions, the Conditions to effectiveness and the Conditions to implementation set out in the paragraphs headed “ <i>Pre-Conditions to the Merger Agreement becoming effective</i> ”, “ <i>Conditions to effectiveness</i> ” and “ <i>Conditions to implementation</i> ” below, the Offeror will pay the Cancellation Price in the amount of (a) HK\$2.0 per H Share to the H Shareholders for the cancellation of the H Shares and (b) RMB[●] per Domestic Share, which is equivalent to the Cancellation Price of each H Share

⁵ **Note to Draft:** To be updated based on the draft Merger Agreement.

based on the Exchange Rate, to the Domestic Shareholders for the cancellation of the Domestic Shares, in each case other than Falcon Holding and Platinum Peony, as described below.

Pursuant to the Merger Agreement, subject to the same conditions as set out above, in consideration for the cancellation of the H Shares and the Domestic Shares held by Falcon Holding and the H Shares held by Platinum Peony, each of Falcon Holding and Platinum Peony will be issued with RMB[●] registered capital of the Offeror for each H Share or Domestic Share, which is equivalent to the Cancellation Price in RMB based on the Exchange Rate for each H Share or Domestic Share. It is contemplated that the Offeror will enter into a capital increase agreement with each of Falcon Holding and Platinum Peony to document the aforementioned arrangement after satisfaction of all of the Conditions to effectiveness.

Platinum Peony has issued a confirmation letter to the Offeror, pursuant to which Platinum Peony confirms that, subject to (i) the final offer price for the cancellation of H Shares held by Platinum Peony under the Merger being HK\$2.0 per H Share, and the registered capital of the Offeror to be issued to Platinum Peony being RMB[●], (ii) the signing of the Merger Agreement in the form attached to the confirmation letter, and (iii) there being no material deviation between the form and contents of the executed version of the Merger Agreement with the agreed form and contents of such agreement as appended to the confirmation letter, Platinum Peony agrees to be issued with RMB[●] registered capital of the Offeror for each H Share it holds, which is equivalent to the Cancellation Price in RMB based on the Exchange Rate for each H Share, in consideration for the cancellation of the H Shares it holds pursuant to the Merger Agreement.

Falcon Holding has also issued a confirmation letter to Platinum Peony, pursuant to which Falcon Holding agrees and undertakes that (i) exercising its rights as a shareholder of the Offeror, it will procure the Offeror to implement the Merger and the Rollover Arrangement in accordance with the terms set out in this joint announcement, and to comply with and perform its obligations under the Merger Agreement and, subject to the Pre-conditions and

Conditions being satisfied or waived, proceed with the transactions contemplated thereunder in accordance with the terms of the Merger Agreement; (ii) subject to the Pre-conditions and Conditions being satisfied or waived, exercising its rights as a shareholder of the Offeror, it will procure the Company to proceed with the transactions contemplated under the Merger Agreement; (iii) subject to the Rollover Arrangement being approved by the Independent H Shareholders at the EGM, (a) it will execute the Shareholders Agreement, substantially in the form appended to the confirmation letter, within two months after the Conditions have been satisfied, (b) it will approve the amended articles of association of the Offeror at the same time as the Shareholders Agreement is executed, (c) exercising its rights as a shareholder of the Offeror, it will procure the Offeror to execute the Capital Increase Agreement at the same time as the Shareholders Agreement is executed, (d) exercising its rights as a shareholder of the Offeror, it will procure the Offeror to issue to Platinum Peony RMB[●] in the registered capital of the Offeror at the same time as the signing of the Capital Increase Agreement, and (e) save with the prior written consent of Platinum Peony, there will be no material deviation between the form and contents of the definitive executed version of the Merger Agreement, the Shareholders Agreement, the Capital Increase Agreement and the amended articles of association of the Offeror from the agreed form and contents of such documents as appended to the confirmation letter; and (iv) at any time before completion of the Capital Increase Agreement, it will not take any actions which requires Platinum Peony's (or the director nominated by Platinum Peony) prior consent in the Shareholders Agreement as if the Shareholders Agreement has come into effect except for actions that are required to implement the Merger Agreement and the transactions contemplated under this joint announcement.

If, after the date of this joint announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the gross amount or value of such dividend, distribution and/or, as the case may be, return of

capital (before tax) after consultation with the Executive, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

Pre-Conditions to the Merger Agreement becoming effective

The Merger Agreement is subject to the satisfaction of the pre-conditions, being the filing, registration or approval, as applicable, with or by (a) the National Development and Reform Commission of the PRC, (b) Ministry of Commerce of the PRC, and (c) the State Administration of Foreign Exchange of the PRC, or their respective local authorities, and such other applicable governmental approvals in respect of the Merger having been obtained or completed (collectively, the “**Pre-Conditions**”). Save for the governmental approvals as mentioned above, the Offeror is not currently aware of any other applicable governmental approvals which are required in respect of the Merger.

R3.5(e)
R3.5(g)

The above Pre-Conditions are not waivable. If the Pre-Conditions are not satisfied by the Long-stop Date, the Merger Agreement will not become effective and will terminate automatically.

Upon fulfilment of the Pre-Conditions, the Offeror and the Company will post the Composite Document within seven (7) days thereof or (if applicable) prior to the date as required by the Executive in accordance with the Takeovers Code and the EGM and H Share Class Meeting will be convened pursuant to the respective notice to such meetings for the Shareholders and the Independent H Shareholders respectively, to consider and, if thought fit, approve matters including the Merger and the Rollover Arrangement (as the case may be).

SFC0325Q3

Conditions to effectiveness

After the Pre-Conditions are satisfied, the Merger Agreement shall become effective upon satisfaction of all of the following conditions (none of which is capable of being waived) (the “**Conditions to effectiveness**”):

- (1) the passing of special resolution(s) by a majority of more than two-thirds (2/3) of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the EGM to approve the Merger under the Merger

Agreement in accordance with the Articles and the PRC Laws;

- (2) the passing of special resolution(s) by way of poll approving the Merger under the Merger Agreement at the H Share Class Meeting to be convened for this purpose, provided that: (a) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and (b) the number of votes cast against the resolution(s) is not more than 10% of the votes attaching to all H Shares held by the Independent H Shareholders; and
- (3) (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Rollover Arrangement is fair and reasonable so far as the Independent H Shareholders are concerned; (ii) the passing of an ordinary resolution by the Shareholders other than the Offeror, its concert parties and any other Shareholders who are involved or interested in the Rollover Arrangement (including Falcon Holding and Platinum Peony) at the EGM to approve the Rollover Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangement.

SFC0325Q4

SFC0328Q4

If the above Conditions to effectiveness are not satisfied by the Long-stop Date, the Merger Agreement will not become effective and the Merger will not proceed. Please also refer to the paragraph headed “*Termination*” below.

SFC0325Q5

Conditions to implementation

After the Merger Agreement and the Merger become effective upon satisfaction of the Pre-Conditions and all the Conditions to effectiveness, the implementation of the Merger shall be subject to the following conditions being satisfied (the “**Conditions to implementation**”, together with the Conditions to effectiveness, collectively, the “**Conditions**”):

R3.5(e)
R3.5(g)

- (1) there being no material errors or omissions in the representations, warranties or undertakings given by the Offeror in the Merger Agreement

on the Delisting Date which has a material adverse impact on the Merger;

- (2) there being no material errors or omissions in the representations, warranties or undertakings given by the Company in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger; and
- (3) there being no law, prohibition or order of any governmental authority or any judgment, decision or adjudication of any court on the Delisting Date which restricts, prohibits or terminates the Merger.

The Company shall be entitled to waive Condition (1) above and the Offeror shall be entitled to waive Condition (2) above. Condition (3) above is not capable of being waived. If the above Conditions to implementation are not satisfied or waived (as applicable) by the Long-stop Date, the Merger Agreement will terminate automatically. Please also refer to the paragraph headed "*Termination*" below.

Payment of consideration

After fulfilment (or waiver, if applicable) of the Pre-Conditions and all the Conditions (being the Conditions to effectiveness and the Conditions to implementation), the Offeror shall: (i) as soon as possible and in any event no later than seven (7) business days, (x) pay the Cancellation Price to all H Shareholders (other than Falcon Holding and Platinum Peony) and (y) issue its registered capital to Falcon Holding pursuant to the Merger Agreement for the cancellation of the H Shares and the Domestic Shares held by Falcon Holding (as described in the paragraph headed "*Consideration*" above) and (ii) as soon as possible and in any event no later than seven (7) business days or such later time as permitted by the Executive, pay the Cancellation Price to all Domestic Shareholders (other than Falcon Holding). Pursuant to the Merger Agreement, the Offeror will issue its registered capital to Platinum Peony after the Delisting Date and on a date to be separately agreed between the Offeror and Platinum Peony. As payment of the Cancellation Price to all Domestic Shareholders (other than Falcon Holding) is subject to completion of certain administrative procedures required under applicable PRC Laws, payment may not be completed within seven (7) business days after fulfilment (or waiver, if applicable) of the Pre-

Conditions and all the Conditions (being the Conditions to effectiveness and the Conditions to implementation) as required under Rule 20.1 of the Takeovers Code. Based on the above, the Offeror will apply to the Executive for a waiver from strict compliance with Rule 20.1 of the Takeovers Code in relation to the settlement of the Cancellation Price payable to all Domestic Shareholders (other than Falcon Holding) and Platinum Peony respectively.

After payment of consideration is made to the Shareholders by or on behalf of the Offeror, all rights attaching to such Shares shall cease to have effect and the relevant Shares shall be cancelled. The share certificates for the relevant Shares will cease to have effect as documents or evidence of title.

Payment of consideration to the H Shareholders (other than Falcon Holding and Platinum Peony) is deemed to be completed once the Offeror or any entity designated by it has despatched to such H Shareholders the cheques for the relevant consideration, and payment of consideration to the Domestic Shareholders (other than Falcon Holding) is deemed to be completed once the Offeror or any entity designated by it has made remittance of the relevant consideration by way of bank transfer or has despatched the cheques for the relevant consideration to such Domestic Shareholders. Payment of consideration to Falcon Holding is deemed to be completed once the Offeror has delivered to Falcon Holding the Offeror's register of members and certification of capital contribution affixed with the Offeror's official seal reflecting the Offeror's shareholding structure after the issuance of the registered capital of the Offeror to Falcon Holding in accordance with the Merger Agreement. Payment of consideration to Platinum Peony is deemed to be completed once the Offeror has (i) delivered to Platinum Peony the Offeror's register of members and certification of capital contribution affixed with the Offeror's official seal reflecting the Offeror's shareholding structure after the issuance of the registered capital of the Offeror to Platinum Peony at a date separately agreed on pursuant to the Capital Increase Agreement, (ii) completed the filing and registration procedures with the local counterpart of the State Administration of Market Regulation of the PRC with respect to the issuance of the registered capital of the Offeror to Platinum

Peony pursuant to the Capital Increase Agreement; (iii) amended the article of association of the Offeror with respect to the issuance of the registered capital of the Offeror to Platinum Peony; and (iv) the industrial and commercial registration procedures in the PRC with respect to the Company's conversion into a company held by the Offeror as its sole shareholder having been completed.

The Company's Undertakings

Unless with the prior written consent of the Offeror, the Company shall not issue any Shares, conduct any major acquisitions or disposals which may constitute a discloseable transaction under Chapter 14 of the Listing Rules, or announce, declare or pay any dividend, other distribution or other return of capital to the Shareholders from the date of the Merger Agreement to the date of termination of the Merger Agreement or the Delisting Date (whichever is earlier), except for any profit distribution plan that has been announced but not yet implemented (to be considered and approved at the relevant Shareholders' meeting(s)) or any transaction that has not yet been consummated prior to the date of this joint announcement.

As at the date of this joint announcement, the Company has not declared any dividend that has not been paid, and does not have any profit distribution plan that has been announced but not yet implemented.

Right of a Dissenting Shareholder

According to the Articles, any Dissenting Shareholder may request the Company to acquire its Shares at a "reasonable price".

If any Dissenting Shareholder exercises its right, the Offeror (if so requested by the Company) will assume the obligation which the Company may have towards such Dissenting Shareholder to acquire the Shares held by that Dissenting Shareholder at a "reasonable price".

The exercise of its right by a Dissenting Shareholder is subject to the following criteria:

- (1) such Dissenting Shareholder having validly voted against the resolutions in respect of the Merger at the EGM and (if applicable) the H Share Class Meeting;

- (2) such Dissenting Shareholder having been validly registered as a Shareholder on the share register of the Company since the record date for the EGM and (if applicable) the H Share Class Meeting, and having held such Share(s) in respect of which it intends to exercise its right until the Exercise Date; and
- (3) such Dissenting Shareholder having exercised its right during the Declaration Period.

A Shareholder is not entitled to exercise its right in respect of such Share(s) held by it if:

- (1) such Shareholder has undertaken to the Company to waive its right;
- (2) any Share held by such Shareholder is subject to pledge, other third-party rights or judicial moratorium, without having legally obtained written consent or approval from the relevant pledgee, third party or competent authority; or
- (3) such Shareholder is prohibited from exercising its right in accordance with applicable laws.

Termination

Subject to the requirements under the Takeovers Code and the requirements of the SFC and the Stock Exchange, the Merger Agreement may be terminated prior to the implementation of the Merger in any of the following circumstances:

- (1) by either the Offeror or the Company, if
 - (i) any competent governmental authority issues any order, decree, ruling or takes any other action which permanently restricts, impedes or otherwise prohibits the Merger and which is final, binding and not capable of being appealed (both the Offeror and the Company shall use reasonable endeavours to procure the withdrawal of such order, decree, ruling or action); or
 - (ii) the Conditions to effectiveness not having been satisfied and not resulting from any party's default on or before the Long-stop Date;
- (2) by the Offeror, if the Company commits a material breach of the representations,

warranties and undertakings under the Merger Agreement or any other agreement related to the Merger, which has a material impact on the Merger and such breach is not remedied by the Company within 30 days following the written notice from the Offeror; or

- (3) by the Company, if the Offeror commits a material breach of the representations, warranties and undertakings under the Merger Agreement or any other agreement related to the Merger, which has a material impact on the Merger and such breach is not remedied by the Offeror within 30 days following the written notice from the Company.

In addition, as stated in the paragraph headed “*Pre-Conditions to the Merger Agreement Becoming Effective*” above and the paragraph headed “*Conditions to implementation*” above, if (i) the Pre-Conditions are not satisfied by the Long-stop Date, or (ii) the Conditions to implementation are not satisfied or waived (as applicable) by the Long-stop Date, the Merger Agreement will terminate automatically.

As at the date of this joint announcement, none of the Pre-Conditions and the Conditions has been fulfilled or waived.

Conditional upon the fulfilment (or waiver, as applicable) of the Pre-Conditions, the Conditions to effectiveness and the Conditions to implementation set out in the paragraphs headed “*Pre-Conditions to the Merger Agreement becoming effective*”, “*Conditions to effectiveness*” and “*Conditions to implementation*” above, the Merger will be implemented. After the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only terminate the Merger Agreement in accordance with the paragraph headed “*Termination*” above as a basis for not proceeding with the Merger only if the circumstances which give rise to the right to invoke any such termination right are of material significance to the Offeror in the context of the Merger.

4. CANCELLATION PRICE

Comparisons of value

The Cancellation Price is HK\$2.0 per H Share and RMB[●] per Domestic Share (equivalent to the Cancellation Price of HK\$2.0 per H Share based on the Exchange Rate). The Cancellation Price per H Share represents:

- (a) premium of approximately 33.3% over the closing price per H Share of HK\$1.5 on the Stock Exchange on the Last Trading Date;
- (b) a [premium/discount] of approximately [●]% [over/to] the average closing price of HK\$[●] per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the [●] consecutive trading days immediately prior to and including the Last Trading Date; and
- (c) a [premium/discount] of approximately [●]% [over/to] the audited consolidated net asset value attributable to Shareholders of approximately RMB2.1 (equivalent to approximately HK\$2.3) per Share as at 31 December 2024 (calculated based on (i) the audited consolidated net asset value attributable to the Shareholders as stated in the 2024 annual results of the Company published on 28 March 2025; (ii) 1,583,348,000 Shares in issue as at the date of this joint announcement; and (iii) the exchange rate of HK\$1:RMB0.92604, being the median exchange rate on 31 December 2024 as announced by the People’s Bank of China).

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

The Offeror reserves the right to introduce another manner to settle the Cancellation Price as follows:

The Offeror reserves its right to offer to all Shareholders (other than Falcon Holding and Platinum Peony) an alternative to cash settlement (the “Potential Share Alternative Offer”) of the Cancellation Price, through which such Shareholders may acquire the Potential Rollover Securities at an exchange ratio to be specified, provided that the total number of securities in the Company subject to the Potential Share Alternative Offer shall not exceed 5% of the total number of issued Shares in the Company as at the date of this joint announcement (i.e. 79,167,400 Shares) and in the event such Shareholders holding more than 5% of the Company’s issued Shares have indicated interest to take the Potential Share Alternative Offer, a proportional entitlement arrangement will be implemented, with the details of which to be announced by the Offeror in due course.

The Potential Share Alternative Offer is at the Offeror’s sole discretion and is subject to the pre-condition of receiving on or between the date of this joint announcement and 4:00 p.m. on [●] 2025 duly signed and dated letters of interest from intending Shareholders (other than Falcon Holding and Platinum Peony) holding, in aggregate, not less than 0.5% of the total number of issued Shares as at the date of this joint announcement (i.e. 7,916,740 Shares), expressing their indicative interest to elect Potential Share Alternative Offer. Should this pre-condition be met, and the Offeror exercises its discretion to make the Potential Share Alternative Offer, a new announcement under Rule 3.5 of the Takeovers Code will be made. Further details of the Potential Share Alternative Offer, if made by the Offeror, will be set out in the new announcement as referred to above.

For the avoidance of doubt, this represents the Offeror’s reservation of rights under Note 4 to Rule 18 of the Takeovers Code to introduce another form of consideration if the above pre-condition is met, and the Potential Share Alternative Offer may or may not be made. The Offeror will decide whether to exercise its discretion to make the Potential Share Alternative Offer as soon as reasonably practicable and in any event within two months after the above pre-condition is met.

Duly signed and dated letters of interest to indicate interest to elect the Potential Share Alternative Offer shall be delivered to the following address and follow the instructions below:

Attention:	Mr. Lu Wei and Mr. Zhu Lingjie
Quote subject:	Letter of interest in respect of Potential Share Alternative Offer
Address:	65th Floor, Tower 1, Plaza 66, 1266 Nanjing Road West, Shanghai, China. Postal Code 200040 or 33/F, Three Pacific Place, 1 Queen’s Road East, Hong Kong
Required content:	Please duly sign and date your letter of interest which, in order to be valid, shall include (i) whether you hold H Shares or Domestic Shares, together with evidence thereof; (ii) number of Shares held by you, together with evidence thereof; (iii) nature of your shareholding (i.e. whether as registered holder or (in the case of H Shareholders) through an exchange participant with H Shares deposited in CCASS), together with evidence thereof and details of your relevant exchange participant(s) if applicable; and (iv) your reachable contact information
Latest date of delivery:	4:00 p.m. (Hong Kong time) on [●] ⁶ 2025; for the avoidance of doubt, letters of interest received by the Offeror after such time will not be taken into account

SFC0325Q7

For the avoidance of doubt: (i) letters of interest that are not duly signed, dated, or missing any of the required contents specified above will not be taken into account by the Offeror; and (ii) should the Offeror decide to proceed with the Potential Share Alternative Offer, whether a Shareholder has, or has not, indicated his/her/its intention as per the above will not affect his/her/its right to choose or not choose to accept the Potential Share Alternative Offer.

⁶ **Note to Draft:** To insert date that is 1 month from date of this joint announcement.

Highest and lowest prices

During the six-month period immediately up to and including the Last Trading Date, the highest closing price of the H Shares as quoted on the Stock Exchange was HK\$[●] on [●] and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK\$[●] on [●].

Funding for the Merger

On the basis of (i) the Cancellation Price of HK\$2.0 per H Share and RMB[●] per Domestic Share (equivalent to the Cancellation Price of HK\$2.0 per H Share based on the Exchange Rate), (ii) 538,348,000 H Shares and 1,045,000,000 Domestic Shares in issue as at the date of this joint announcement, and (iii) the Cancellation Price (x) for 137,265,505 H Shares and 992,854,500 Domestic Shares held directly by Falcon Holding and (y) for 156,679,000 H Shares held directly by Platinum Peony to be satisfied through the issuance of the registered capital of the Offeror as described in the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*” above, the amount of aggregate Cancellation Price required to be paid by the Offeror to cancel (i) the H Shares held by the H Shareholders and (ii) the Domestic Shares held by the Domestic Shareholders, other than Falcon Holding and Platinum Peony, is HK\$488,806,990 and approximately RMB[●], respectively.

Falcon Holding has undertaken with the Offeror to pay on its behalf the total consideration for cancellation of the H Shares, and the Offeror will pay the total consideration for cancellation of the Domestic Shares with financial resources made available by Falcon Holding. Falcon Holding has obtained binding equity commitment letter from PAG Fund IV, pursuant to which PAG Fund IV has irrevocably committed to make one or more direct or indirect capital contributions in cash to Falcon Holding for its use solely for the purpose of the Merger. It is contemplated that PAG Fund IV, as the key limited partner of Falcon Holding, will provide the aforementioned equity commitment as bridge financing for efficiency purpose, and the allocation amongst the limited partners of Falcon Holding will be arranged subsequently.

[The Offeror has appointed CICC as its financial adviser in respect of the Merger. CICC, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the satisfaction of the Offeror’s obligations in respect of the full implementation of the Merger (excluding the consideration payable to Falcon Holding and Platinum Peony in the form of registered capital of the Offeror).]

5. SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT

The Offeror would like to allow Platinum Peony to retain its shareholding in the Company after the Merger by way of the Rollover Arrangement. As at the date of this joint announcement, Platinum Peony holds 156,679,000 H Shares, representing approximately 29.10% of the H Shares and approximately 9.90% of the total issued share capital of the Company.

Platinum Peony is a restricted scope company incorporated under the laws and regulations of the Abu Dhabi Global Market (in the Emirate of Abu Dhabi, United Arab Emirates), and is indirectly wholly owned by the Abu Dhabi Investment Authority. The principal business activity of Platinum Peony is investment holding.

SFC0320Q13

The Offeror is of the view that it is important for the Company to retain Platinum Peony after the Merger, which will enhance the Group's competitiveness in the market and benefit the Group's long-term sustainable development and growth.

To document the Rollover Arrangement, Platinum Peony has issued a confirmation letter to the Offeror, pursuant to which Platinum Peony confirms that, subject to (i) the final offer price for the cancellation of H Shares held by Platinum Peony under the Merger being HK\$2.0 per H Share, and the registered capital of the Offeror to be issued to Platinum Peony being RMB[●], (ii) the signing of the Merger Agreement in the form attached to the confirmation letter, and (iii) there being no material deviation between the form and contents of the executed version of the Merger Agreement with the agreed form and contents of such agreement as appended to the confirmation letter, Platinum Peony agrees to be issued with RMB[●] registered capital of the Offeror for each H Share it holds, which is equivalent to the Cancellation Price in RMB based on the Exchange Rate for each H Share, in consideration for the cancellation of the H Shares it holds pursuant to the Merger Agreement.

In connection with the Rollover Arrangement, it is contemplated that the Offeror and Platinum Peony will enter into the Capital Increase Agreement after satisfaction of all of the Conditions to effectiveness. In consideration for the cancellation of the H Shares held by Platinum Peony, Platinum Peony will be issued with RMB[●] registered capital of the Offeror for each H Share, which is equivalent to the Cancellation Price in RMB based on the Exchange Rate for each H Share. It is also contemplated that Falcon Holding and Platinum Peony will enter into the Shareholders Agreement on or around the same time as the signing of the Capital Increase Agreement. A summary of the key terms of the Shareholders Agreement is set out below:

SFC0320Q14

- (a) **Voting rights.** Shareholders of the Offeror shall exercise their voting rights proportionate to their respective actual contributions to the registered capital of the Offeror.
- (b) **Board composition.** The board of the Offeror shall comprise three directors, among which Falcon Holding shall have the right to nominate two directors (including the chairman of the board) and Platinum Peony shall have the right to nominate one director.
- (c) **Transfer restrictions.** Except with the prior written consent of Falcon Holding, Platinum Peony shall not transfer its equity interest in the Offeror to third parties that are within the scope of certain prescribed restricted persons, including, among other things, competitors of the Offeror and its affiliates, or persons that are subject to sanctions by any government. Platinum Peony's transfer of its equity interest in the Offeror to its affiliates (other than those within the scope of certain prescribed restricted persons) is not subject to the prior written consent of Falcon Holding.
- (d) **Drag along and tag along.** Under certain prescribed circumstances, a change of control in the Offeror is subject to Platinum Peony's consent. Subject to the foregoing, Falcon Holding shall have drag-along rights in case of a change of control transaction. The other shareholder(s) of the Offeror including Platinum Peony shall have tag-along rights in case of Falcon Holding's transfer of any equity interest in the Offeror.

As the Rollover Arrangement is not offered to all Shareholders (as the Potential Share Alternative Offer may or may not be made), the Rollover Arrangement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will (before the despatch of the Composite Document) make an application for consent from the Executive to the Rollover Arrangement conditional on: (i) the Independent Financial Adviser to the Independent Board Committee confirming that the Rollover Arrangement is fair and reasonable so far as the Independent H Shareholders are concerned; and (ii) the passing of an ordinary resolution by the Shareholders other than the Offeror, its concert parties and any other Shareholders who are involved or interested in the Rollover Arrangement (including Falcon Holding and Platinum Peony) at the EGM to approve the Rollover Arrangement. Accordingly, as set out in the paragraph headed “*Conditions to effectiveness*” above, the Merger Agreement shall become effective subject to, among other things, (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Rollover Arrangement is fair and reasonable so far as the Independent H Shareholders are concerned; (ii) the passing of an ordinary resolution by the Shareholders other than the Offeror, its concert parties and any other Shareholders who are involved or interested in the Rollover Arrangement (including Falcon Holding and Platinum Peony) at the EGM to approve the Rollover Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangement. Platinum Peony is considered to be acting in concert with the Offeror, and is therefore not an Independent H Shareholder and will not be voting on the Merger or the Rollover Arrangement at the EGM or the H Share Class Meeting (as the case may be).

SFC0325Q8

SFC0328Q6

SFC0325Q8

SFC0320Q16

SFC0320Q15

6. [IRREVOCABLE UNDERTAKING BY [●]]⁷

On [●] March 2025, the Offeror obtained an irrevocable undertaking from [●], which holds [●] H Shares as at the date of this joint announcement (representing approximately [●]% of the H Shares held by the Independent H Shareholders, approximately [●]% of the H Shares and approximately [●]% of the total issued share capital of the Company as at the date of this joint announcement).

Pursuant to the Irrevocable Undertaking, [●] has irrevocably undertaken to the Offeror:

- (i) to exercise or procure the exercise of the voting rights attached to all of (a) the Shares owned by it, (b) any other Share which it may acquire on or after the date of the Irrevocable Undertaking, and (c) any other Shares attributable to or derived from the Shares referred to in (a) and (b) (including, without limitation, any scrip dividend) ((a) to (c) collectively, the “**IU Shares**”) to vote in favour of the resolutions at the EGM and the H Share Class Meeting to approve the Merger and the Rollover Arrangement (as applicable), in accordance with the terms and subject to the conditions to be set out in the Composite Document;
- (ii) not to, and to procure that the relevant registered holder of the IU Shares not to, on or before the date of completion of the Merger, and other than in connection with the Merger or unless otherwise specified under the Irrevocable Undertaking, sell, transfer, charge, encumber, create or grant any option or lien

⁷ **Note to Draft:** To include depending on discussion with (subject to the SFC’s consent and approval) disinterested Shareholders.

over or otherwise dispose of (or permit any such action to occur in respect of) all or any of the IU Shares or any interest therein; and

- (iii) not to make any offer to acquire the whole or any part of the issued share capital of the Company nor permit any company in which it, directly or indirectly, has any interest to make such an offer.

The Irrevocable Undertaking shall terminate immediately if the Merger Agreement does not become effective or is terminated pursuant to its terms.]

7. REASONS AND BENEFITS OF THE MERGER

The reasons and benefits of the Merger include:

- (1) **An excellent exit opportunity for H Shareholders to realise their investment with an attractive premium.**

The Cancellation Price represents a premium over the market price of H Shares of the Company as disclosed in paragraph headed “*Comparisons of value*” in the section headed “4. CANCELLATION PRICE” above. The long-term low trading volume and liquidity also makes it very difficult for the H Shareholders to realise their H Shares holdings through secondary market transactions on a large scale at ideal prices. Therefore, the Merger, if implemented, could provide the H Shareholders a valuable opportunity to immediately realise their investments in the Company with an attractive premium of approximately 62.60% over the average closing price of HK\$1.23 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Date, and reallocate the proceeds from the disposal of the H Shares to alternative investment opportunities with more liquidity.

SFC0320Q17

- (2) **The Company has lost its advantage as a listed platform and has limited equity fund-raising ability.**

As the price of the H Shares has been in a downward trend since 2021 with sluggish trading volume for most of the time and the trading of the H Shares was suspended from 2 February 2023 to 30 July 2024 due to insufficient public float of the Company, the ability of the Company to raise any funds from the equity market is significantly limited.

SFC0320Q18

In addition, the Company has to incur administrative, compliance and other listing related costs and expenses for maintaining the listing status. After the completion of the Merger, the H Shares will be delisted from the Stock Exchange, which may benefit the Company from savings in costs related to the compliance and maintenance of the listing status of the Company.

- (3) **The Merger will be beneficial to the long-term development of the Company.**

The Company are facing great challenges and uncertainties in future operations due to the continued volatility of the international situation and the underperformance of the domestic consumer markets. In order to maintain

competitive in the market, the Company needs to implement strategic initiatives which may affect short-term financial performance and may cause losses to the H Shareholders. After the completion of the Merger, the Company will have more long-term strategic options with greater flexibility and avoid the pressure from market expectations and stock price fluctuations as a listed company.

SFC0325Q9

[The Board (other than members of the Independent Board Committee, whose views will be given after receiving the opinion of the Independent Financial Adviser) is of the view that the terms of the Merger are fair and reasonable and in the interests of the Company and its Shareholders as a whole.]

8. INFORMATION ON THE OFFEROR AND THE COMPANY

(1) Information on the Offeror

The Offeror is a company incorporated in the PRC with limited liability on 23 November 2022, and is an investment holding company.

R3.5(b)

The Offeror is wholly-owned by Falcon Holding, a limited partnership formed in Cayman Islands and principally engaged in investment holding services.

The general partner of Falcon Holding is Falcon Holding GP Limited, being a company directly wholly-owned by PAG Capital Limited. As at the date of this joint announcement, the largest limited partner of Falcon Holding is PAG Fund IV. The general partner of PAG Fund IV is PAG Asia Capital GP IV Limited, being a company directly wholly-owned by PAG Capital Limited. PAG Capital Limited is wholly-owned by Pacific Alliance Group Limited, which is in turn wholly-owned by PAG.

PAG is a leading Asia-Pacific-focused alternative investment firm with three core businesses: Real Assets, Credit & Markets and Private Equity. It manages over US\$55 billion in capital on behalf of nearly 300 global institutional investors. The firm has over 790 staff across 15 key offices globally. PAG Private Equity manages four pan-Asian buyout funds and two growth funds with US\$19 billion of capital under management.

(2) Information on the Company

The Company is a joint stock company incorporated in the PRC with limited liability. The Company is a white-feathered broiler meat exporter and retail enterprise of chicken meat food in China. The Company produces and sells processed chicken meat products and raw chicken meat products mainly from white-feathered broilers. The main products include (i) processed chicken meat products; (ii) raw chicken meat products; (iii) chicken breeds; and (iv) others.

Set out below is the financial information of the Company for the three financial years ended 31 December 2022, 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises:

Financial year ended 31 December		
2022	2023	2024

	RMB'000 (audited) (restated)	RMB'000 (audited)	RMB'000 (audited)
Revenue	5,085,790	5,134,413	5,504,651
Total profit (loss)	(768,257)	163,945	258,216
Net profit (loss)	(768,993)	160,319	280,867
Adjusted net profit ^(Note 1)	39,242	160,319	198,048

Note:

- For the financial year ended 31 December 2022, the adjusted net profit represents the net profit after deducting monetary fund receivables bad debt loss arising from the recognition of an one-off and non-recurring impairment loss on the deposits due from GMK Finance Co., Ltd. and such figure has been restated in the financial year ended 31 December 2023. For the financial year ended 31 December 2024, the adjusted net profit represents the net profit after deducting the reversal of monetary fund receivables bad debt and the corresponding tax and interests arising from the liquidation of GMK Finance Co., Ltd.. No adjustments were made to the net profit recorded for the financial year ended 31 December 2023.

(3) Shareholding in the Company

As at the date of this joint announcement, the Company has 1,583,348,000 Shares in issue, which comprise 538,348,000 H Shares and 1,045,000,000 Domestic Shares.

Set out below is the shareholding in the Company as at the date of this joint announcement:

Shareholders	Number of H Shares interested	Approximate % of the H Shares in issue	Number of Domestic Shares interested	Approximate % of the Domestic Shares in issue	Number of Shares interested	Approximate % of the Shares in issue	
The Offeror and its concert parties							
The Offeror	–	–	–	–	–	–	
Falcon Holding	137,265,505	25.50%	992,854,500	95.01%	1,130,120,005	71.38%	
Platinum Peony	156,679,000	29.10%	–	–	156,679,000	9.90%	
Sub-total	293,944,505	54.60%	992,854,500	95.01%	1,286,799,005	81.27%	
Independent H Shareholders							
Xiao Dongsheng ^(Notes 1,4)	2,244,000	0.42%	–	–	2,244,000	0.14%	
Shi Lei ^(Notes 2,4)	957,332	0.18%	–	–	957,332	0.06%	
Zhou Jinying ^(Notes 3)	3,311,300	0.62%	–	–	3,311,300	0.21%	SFC0320Q21
Wang Zhixian ^(Notes 3, 4)	313,400	0.06%	–	–	313,400	0.02%	
Meng Tao ^(Notes 3, 4)	563,800	0.10%	–	–	563,800	0.04%	SFC0325Q11
2021 SAS Trustee ^(Note 4)	1,517,368	0.28%	–	–	1,517,368	0.10%	
2023 SAS Trustee ^(Note 4)	14,272,968	2.65%	–	–	14,272,968	0.90%	
Other Independent H Shareholders	221,223,327	41.09%	–	–	221,223,327	13.97%	
Sub-total	244,403,495	45.40%	–	–	244,403,495	15.44%	

Other Domestic Shareholders	-	-	52,145,500	4.99%	52,145,500	3.29%
Total number of Shares in issue	538,348,000	100.00%	1,045,000,000	100.00%	1,583,348,000	100.00%

Notes:

1. *Mr. Xiao Dongsheng is an executive Director and the general manager of the Company.*
2. *Mr. Shi Lei is an executive Director, a vice general manager, the chief financial officer, the secretary to the Board and the company secretary of the Company.*
3. *Each of Ms. Zhou Jinying, Mr. Wang Zhixian and Mr. Meng Tao is a vice general manager of the Company.*
4. *For further details, please refer to the paragraph headed “2021 Share Award Scheme and 2023 Share Award Scheme” below. As at the date of this joint announcement, there are 1,517,368 outstanding share awards (representing approximately 0.10% of the total issued share capital of the Company) granted under the 2021 Share Award Scheme and 2,907,368 outstanding share awards (representing approximately 0.18% of the total issued share capital of the Company) granted under the 2023 Share Award Scheme (the “**Outstanding Share Awards**”), among which Mr. Xiao Dongsheng, Mr. Shi Lei and Mr. Wang Zhixian have been granted 972,000, 428,668 and 116,700 unvested awarded shares (representing approximately 0.06%, 0.03% and 0.01% of the total issued share capital of the Company) under the 2021 Share Award Scheme respectively while Mr. Meng Tao has been granted 194,400 unvested awarded Shares (representing approximately 0.01% of the total issued share capital of the Company) under the 2023 Share Award Scheme. Other than the above, there are no outstanding share awards granted to such mentioned persons under the 2021 Share Award Scheme and the 2023 Share Award Scheme as at the date of this joint announcement.*
5. *CICC is the financial adviser to the Offeror in respect of the Merger. Accordingly, CICC and members of the CICC group are presumed to be acting in concert with the Offeror in respect of shareholdings of the CICC group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Members of the CICC group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as CICC are not presumed to be acting in concert with the Offeror.*

Details of holdings, borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by members of the CICC group (except in respect of Shares held by exempt principal traders or exempt fund managers), if any, will be obtained as soon as possible after the date of this joint announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Offeror and the Company if the holdings of, borrowings, lendings, or dealings of the members of the CICC group are significant and in any event, such information will be disclosed in the Composite Document. The statements in this joint announcement as to the holdings, borrowings or lendings of, or dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of members of the CICC group presumed to be acting in concert with the Offeror. Any dealing in the relevant securities of the Company by the CICC group (excluding dealings by the CICC group members who are exempt principal traders or exempt fund managers or dealings by the CICC group members for the account of non-discretionary investment clients of the CICC group) during the six months prior to the date of this joint announcement to the latest practicable date prior to the despatch of the Composite Document will be disclosed in the Composite Document and pursuant to Rule 22 of the Takeovers Code.

Shares held by any member of the CICC group acting in the capacity of an exempt principal trader connected with the Offeror or the Company shall not be voted on the Merger at the H Share Class Meeting in accordance with the requirement of Rule 35.4 of the Takeovers Code, and the Shares held by any member of the CICC group in the capacity of an exempt principal trader for and on behalf of non-discretionary investment clients (that are not the Offeror or any person who is acting in concert with the Offeror) shall not be voted on the Merger at the H Share Class Meeting unless otherwise confirmed with the Executive. Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted on the Merger at the H Share Class Meeting if (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients; and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares, and all voting instructions originate from the client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader).

6. *The percentage figures are subject to rounding adjustments and may not add up to 100%.*

As at the date of this joint announcement, the Offeror does not own any Share. Falcon Holding, which directly and beneficially owns the entire equity interest of the Offeror, directly holds (i) 137,265,505 H Shares, representing approximately 25.50% of the total issued H Shares and approximately 8.67% of the total issued share capital of the Company, and (ii) 992,854,500 Domestic Shares, representing approximately 95.01% of the total issued Domestic Shares and approximately 62.71% of the total issued share capital of the Company. As at the date of this joint announcement, Platinum Peony, a party acting in concert with the Offeror, directly holds 156,679,000 H Shares, representing approximately 29.10% of the total issued H Shares and approximately 9.90% of the total issued share capital of the Company.

As at the date of this joint announcement, save for the Shares and the Outstanding Share Awards, the Company does not have any outstanding options, warrants, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

(4) 2021 Share Award Scheme and 2023 Share Award Scheme

The Company has adopted the 2021 Share Award Scheme and the 2023 Share Award Scheme to recognise the contributions by, and to incentivise, the personnel of the Company and its subsidiaries.

As at the date of this joint announcement, there are 1,517,368 Outstanding Share Awards (representing approximately 0.10% of the total issued share capital of the Company) granted under the 2021 Share Award Scheme, and there are 2,907,368 Outstanding Share Awards (representing approximately 0.18% of the total issued share capital of the Company) granted under the 2023 Share Award Scheme. As at the date of this joint announcement:

- (i) the 2021 SAS Trustee holds 1,517,368 H Shares (representing approximately 0.28% of all the issued H Shares and approximately 0.10% of all the total issued share capital of the Company) for the purposes of satisfying the share awards under the 2021 Share Award Scheme; and

- (ii) the 2023 SAS Trustee holds 14,272,968 H Shares (representing approximately 2.65% of all the issued H Shares and approximately 0.90% of all the total issued share capital of the Company) for the purposes of satisfying the share awards under the 2023 Share Award Scheme.

The Company confirms that no further share awards will be made or granted under the 2021 Share Award Scheme or the 2023 Share Award Scheme and neither the 2021 SAS Trustee nor the 2023 SAS Trustee will acquire any further Shares from the date of this joint announcement up to and including the date of the earlier of completion or termination of the Merger.

[None of the 2021 SAS Trustee, the 2023 SAS Trustee or the grantees under the 2021 Share Award Scheme and/or the 2023 Share Award Scheme is regarded as acting in concert with the Offeror.]⁸

Conditional upon the Merger Agreement becoming effective, the Offeror shall pay to each of the 2021 SAS Trustee and the 2023 SAS Trustee an amount equivalent to the Cancellation Price multiplied by the number of the H Shares held by the 2021 SAS Trustee and the 2023 SAS Trustee under the respective trusts for the 2021 Share Award Scheme and the 2023 Share Award Scheme, which:

- (i) for the amount which corresponds to the Awarded H Shares which are not yet vested (or vested but not yet transferred), shall be held on trust by each of the 2021 SAS Trustee and the 2023 SAS Trustee for the relevant holders of Awarded H Shares and shall be payable by each of the 2021 SAS Trustee and the 2023 SAS Trustee to such holders of Awarded H Shares on the vesting date(s) of the respective Awarded H Shares; and
- (ii) for the amount which corresponds to the H Shares held by each of the 2021 SAS Trustee and the 2023 SAS Trustee that are unutilised under the 2021 Share Award Scheme and the 2023 Share Award Scheme, shall be paid by the 2021 SAS Trustee and/or the 2023 SAS Trustee to the Company after each of the 2021 SAS Trustee and the 2023 SAS Trustee receives such amount from the Offeror under the Merger and upon the termination of the 2021 Share Award Scheme and the 2023 Share Award Scheme.

Pursuant to the rules of the 2021 Share Award Scheme and the 2023 Share Award Scheme, each of the 2021 SAS Trustee and the 2023 SAS Trustee (i) shall have no voting rights in respect of any Awarded H Shares which are not yet vested (or vested but not yet transferred), and (ii) shall not exercise the voting rights attached to the H Shares held by it under the respective trusts for the 2021 Share Award Scheme and the 2023 Share Award Scheme. Accordingly, all of the H Shares held by the 2021 SAS Trustee and the 2023 SAS Trustee will not be voted at the EGM and the H Share Class Meeting.

⁸ **Note to Draft:** Subject to the SFC's confirmation on whether Futu Trustee are concert parties of the Offeror.

As at the date of this joint announcement, there are 1,517,368 and 2,907,368 Outstanding Share Awards under the 2021 Share Award Scheme and 2023 Share Award Scheme, respectively, all of which are unvested and shall be vested on 30 June 2025. If any Outstanding Share Awards are vested and the corresponding H Shares are transferred by the 2021 SAS Trustee and/or the 2023 SAS Trustee to the relevant holder(s) of the Outstanding Share Awards prior to the record date for the purpose of determining the entitlement of the Shareholders to attend and vote at the EGM and the entitlement of the H Shareholders to attend and vote at the H Share Class Meeting, any such H Shares may be voted at the EGM or the H Share Class Meeting, provided that (i) only the votes cast by Independent H Shareholders shall be taken into account in determining whether Condition to effectiveness 2 as set out in the paragraph headed “*Conditions to effectiveness*” above are satisfied, and (ii) only the votes cast by Shareholders other than the Offeror, its concert parties and any other Shareholders who are involved or interested in the Rollover Arrangement (including Falcon Holding and Platinum Peony) shall be taken into account in determining whether Condition to effectiveness 3 as set out in the paragraph headed “*Conditions to effectiveness*” above are satisfied.

SFC0320Q24

SFC0320Q25

As at the date of this joint announcement, no decision or agreement has been made by or between the Offeror and/or the Company in respect of any actions to be taken in relation to the 2021 Share Award Scheme and/or the 2023 Share Award Scheme. Accordingly, subject to any further decision or agreement to be made by or between the Offeror and/or the Company and compliance with the rules of the 2021 Share Award Scheme or the 2023 Share Award Scheme, share awards which have been granted under the 2021 Share Award Scheme and the 2023 Share Award Scheme but remain unvested as at the date of this joint announcement are expected to continue to vest in accordance with their original vesting schedules as determined in accordance with the rules of such schemes. In the event that any decision or agreement is made in respect of any actions to be taken in relation to the 2021 Share Award Scheme and/or the 2023 Share Award Scheme, further announcement(s) will be made if and when appropriate in accordance with the Takeovers Code and/or the Listing Rules.

(5) Rights and interests in the securities of the Offeror and Shares and respective derivatives

As at the date of this joint announcement:

- (i) save as disclosed in paragraph headed “*Shareholding in the Company*” in this section above, there is no existing holding of voting rights or rights over the Shares which the Offeror owns or over which it has control or direction;
- (ii) save as disclosed in paragraph headed “*Shareholding in the Company*” in this section above, there is no existing holding of voting rights or rights over the Shares which is owned or controlled or directed by any person acting in concert with the Offeror (excluding Shares held on behalf of non-discretionary investment clients of the CICC group);

R3.5(c)(i)

R3.5(c)(ii)

- | | | |
|--------|---|--------------------------------|
| (iii) | [save for the Shares that are subject to the Irrevocable Undertaking,]there is no existing holding of voting rights or rights over the Shares in respect of which the Offeror or any person acting in concert with it has received an irrevocable commitment in relation to the exercise of such voting rights; | R3.5(c)(iii)

SFC0325Q13 |
| (iv) | there is no existing holding of voting rights or rights over the Shares in respect of which the Offeror or any person acting in concert with it (excluding Shares held on behalf of non-discretionary investment clients of the CICC group) holds convertible securities, warrants or options; | R3.5(c)(iv) |
| (v) | there is no outstanding derivative in respect of securities in the Company entered into by the Offeror or any person acting in concert with it (except for those which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code); | R3.5(d) |
| (vi) | save for the Merger Agreement[, the Irrevocable Undertaking] and the transactions contemplated respectively thereunder, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the securities of the Offeror or the Shares and which might be material to the Merger; | R3.5(f) |
| (vii) | there is no agreement or arrangement (other than the Merger Agreement and the transactions contemplated thereunder) to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition of the Merger; | R3.5(g) |
| (viii) | there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, or any person acting in concert with it has borrowed or lent; | R3.5(h) |
| (ix) | there is no other consideration, compensation or benefit in any form paid or to be paid by the Offeror and any person acting in concert with it in relation to the Merger, other than the Cancellation Price and the issuance of the Offeror’s registered capital; and | R3.5(i) |
| (x) | save for the confirmation letter issued by Platinum Peony to the Offeror and the confirmation letter issued by Falcon Holding to Platinum Peony, in each case as disclosed in the section headed “3. <i>PRINCIPAL TERMS OF THE MERGER AGREEMENT</i> ” in this joint announcement and the Rollover Arrangement (including the Capital Increase Agreement and the Shareholders Agreement as disclosed in the section headed “5. <i>SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT</i> ” in this joint announcement), there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (a) the Offeror and any person acting in concert with it or (b) the Company, its subsidiaries or associated companies. | R3.5(j) |

None of the Offeror and parties acting in concert with it had dealt for value in the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) during the period beginning six months prior to the date of this joint announcement and up to and including the date of this joint announcement (excluding dealings by members of the CICC group for the account of non-discretionary investment clients of the CICC group).

9. BOARD APPROVAL, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board approved the Merger and its related matters at its board meeting on [●] March 2025.

The Board has established the Independent Board Committee, consisting of all of the independent non-executive Directors, being Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man. Each of Mr. Qiu Zhongwei, Mr. Lu Wei, Mr. Zhu Lingjie and Ms. Zhou Ruijia is a non-executive Director and is not a member of the Independent Board Committee as each is an employee of PAG and/or its subsidiaries, and Mr. Zhu Lingjie is also the sole director of the Offeror. The Independent Board Committee will advise the Independent H Shareholders as to: (a) whether the Merger and the Rollover Arrangement are fair and reasonable for the purpose of the Takeovers Code; and (b) voting at the EGM and the H Share Class Meeting.

SFC0325Q14

The Independent Financial Adviser will be appointed by the Company with the approval from the Independent Board Committee to provide advice to the Independent Board Committee in respect of the Merger and the Rollover Arrangement. An announcement will be made by the Company as soon as possible after the appointment of such Independent Financial Adviser. The Independent Board Committee is evaluating the Merger and the Rollover Arrangement, and its views and recommendations will be set out in the Composite Document to be despatched to the H Shareholders.

SFC0320Q9

10. PROPOSED WITHDRAWAL OF LISTING OF H SHARES

Upon satisfaction of the Pre-Conditions and all the Conditions to effectiveness, the Company will apply to the Stock Exchange for voluntary withdrawal of the listing of the H Shares from the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules.

The Company will issue separate announcement(s) notifying H Shareholders of the proposed withdrawal of listing and the exact dates and relevant arrangements for the last day for dealing in H Shares on the Stock Exchange as well as when the formal delisting of the H Shares will become effective.

The listing of the H Shares on the Stock Exchange will not be withdrawn if the Merger is not approved or lapses or does not become unconditional for any reason.

11. EGM AND H SHARE CLASS MEETING AND THE COMPOSITE DOCUMENT

Subject to the fulfilment of the Pre-Conditions, the Company will convene the EGM and the H Share Class Meeting for the Shareholders and the H Shareholders

respectively, to consider and, if thought fit, approve matters including the Merger and the Rollover Arrangement (as the case may be).

The Composite Document containing, amongst others, (i) further details of the Merger, the Merger Agreement, the Rollover Arrangement and other matters in relation to the Merger; (ii) a letter of advice issued by the Independent Financial Adviser to the Independent Board Committee; and (iii) recommendations and advice from the Independent Board Committee, together with a notice of the EGM, a notice of the H Share Class Meeting and proxy forms are expected to be despatched to the H Shareholders within seven (7) days after the satisfaction of the Pre-Conditions. The Offeror will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code to permit the Composite Document to be posted within the timeframe described above, and an announcement will be made in due course as required under the Takeovers Code.

12. RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

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

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

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

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

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

13. NUMBER OF RELEVANT SECURITIES IN ISSUE

As at the date of this joint announcement, the Company has 1,583,348,000 Shares in issue, which comprise 538,348,000 H Shares and 1,045,000,000 Domestic Shares.

As at the date of this joint announcement, the relevant securities of the Offeror in issue are RMB100,000 in the registered capital of the Offeror, all of which are held by Falcon Holding.

14. RESUMPTION OF TRADING IN THE H SHARES

At the request of the Company, trading in the H Shares on the Stock Exchange was halted from 9:00 a.m. on 17 March 2025 pending issuance of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in H Shares on the Stock Exchange with effect from 9:00 a.m. on [●] March 2025.

15. WARNING

The Pre-Conditions and the Conditions to effectiveness must be satisfied before the Merger Agreement becoming effective. The Merger Agreement becoming effective is therefore a possibility only. Further, Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions to implementation set out in this joint announcement being satisfied or waived, as applicable. Neither the Offeror nor the Company provides any assurance that any or all Pre-Conditions or Conditions can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company.

Persons who are in doubt as to the action to take and the implications arising from the Merger should consult their stockbroker, bank manager, solicitor or other professional advisers (including tax adviser regarding the tax consequences of the cancellation of the H Shares and the implementation of the Merger).

16. DEFINITIONS

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

“2021 SAS Trustee”	Futu Trustee Limited, the trustee of the 2021 Share Award Scheme for the time being;
“2021 Share Award Scheme”	the share award scheme of the Company adopted on 10 December 2021;
“2023 SAS Trustee”	Futu Trustee Limited, the trustee of the 2023 Share Award Scheme for the time being;
“2023 Share Award Scheme”	the share award scheme of the Company adopted on 29 August 2023;
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code;

“Articles”	the articles of association of the Company;
“associate(s)”	has the meaning ascribed thereto in the Takeovers Code;
“associated companies”	has the meaning ascribed thereto in the Takeovers Code;
“Awarded H Share(s)”	the existing H Share(s) (vested or unvested) awarded by the Company under the 2021 Share Award Scheme or the 2023 Share Award Scheme;
“Board”	the board of Directors;
“business day”	a day on which the Stock Exchange is open for the transaction of business;
“Cancellation Price”	the cancellation price of HK\$2.0 per H Share and RMB[●] per Domestic Share payable in cash by the Offeror to the Shareholders (other than Falcon Holding and Platinum Peony, as described in the section headed “3. <i>PRINCIPAL TERMS OF THE MERGER AGREEMENT</i> ” in this joint announcement);
“Capital Increase Agreement”	the capital increase agreement to be entered into between the Offeror and Platinum Peony in connection with the Rollover Arrangement;
“China Accounting Standards for Business Enterprises”	Accounting Standard for Business Enterprises - Basic Standard issued by the Ministry of Finance of the PRC and respective specific accounting standards, application guidelines for accounting standards for business enterprises, interpretation for accounting standards for business enterprises, and other relevant regulations;
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in respect of the Merger. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities;
“Company”	Shandong Fengxiang Co., Ltd. (山東鳳祥股份有限公司) (stock code: 9977), a joint stock company incorporated in the PRC with limited liability, the H

	Shares of which are listed on the Main Board of the Stock Exchange;
“Composite Document”	the document to be issued by or on behalf of the Offeror and the Company to all Shareholders in accordance with the Takeovers Code containing, among others, details of the Merger and the Rollover Arrangement, as may be revised or supplemented as appropriate;
“Conditions”	has the meaning given to it in the section headed “3. <i>PRINCIPAL TERMS OF THE MERGER AGREEMENT</i> ” in this joint announcement;
“Conditions to effectiveness”	has the meaning given to it in the section headed “3. <i>PRINCIPAL TERMS OF THE MERGER AGREEMENT</i> ” in this joint announcement;
“Conditions to implementation”	has the meaning given to it in the section headed “3. <i>PRINCIPAL TERMS OF THE MERGER AGREEMENT</i> ” in this joint announcement;
“Declaration Period”	a period commencing on the date on which the Merger is approved at EGM and the H Share Class Meeting respectively and expiring on [the fifth (5 th)] business day (which, solely for the purpose of this definition, shall exclude Saturday, Sunday and public holidays in the PRC) from (and including) the date on which the Merger is approved at EGM and the H Share Class Meeting respectively, during which any Dissenting Shareholder may declare to exercise its right;
“Delisting Date”	the date on which the listing of the Company on the Stock Exchange has been withdrawn;
“Despatch Date”	the date of despatch of the Composite Document to the Shareholders as required by the Takeovers Code;
“Director(s)”	director(s) of the Company;
“Dissenting Shareholder”	a Shareholder who has validly voted against the resolutions in respect of the Merger at the EGM and, if applicable, the H Share Class Meeting (as the case may be) and has requested the Company to acquire its Shares at a “reasonable price”;
“Domestic Share(s)”	the issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB by PRC nationals and/or PRC-incorporated entities;

“Domestic Shareholder(s)”	holder(s) of the Domestic Shares from time to time;
“EGM”	the extraordinary general meeting of the Company to be convened, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements (including the Rollover Agreement);
“Exchange Rate”	the exchange rate of HK\$1: RMB[●], which is the latest available central parity rate of RMB to HK\$ as at the date of this joint announcement as announced by the People’s Bank of China;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“exempt fund manager”	has the meaning given to it under the Takeovers Code;
“exempt principal trader”	has the meaning given to it under the Takeovers Code;
“Exercise Date”	the date on which the Company (or the Offeror, if so requested by the Company) pays cash consideration to Dissenting Shareholders who exercise their right to request the Company (or the Offeror, if so requested by the Company) to acquire the Shares held and effectively declared by them at “reasonable price”, which will be decided and announced by the Company;
“Falcon Holding”	Falcon Holding LP, a limited partnership formed in Cayman Islands and having its registered office at PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands, the details of which are set out in as further described in the section headed “8. <i>INFORMATION ON THE OFFEROR AND THE COMPANY</i> ” in this joint announcement;
“Group”	the Company and its subsidiaries;
“H Share(s)”	the issued overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and listed on the Main Board of the Stock Exchange;
“H Share Class Meeting”	the H shareholders class meeting of the Company to be convened for the Independent H Shareholders, or

	any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements;	
“H Shareholder(s)”	holder(s) of H Shares from time to time;	
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;	
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;	
“Independent Board Committee”	the independent board committee established by the Company for the purposes of considering the Merger and the Rollover Arrangement, which comprises all of the independent non-executive Directors, being Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man;	
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company with the approval from the Independent Board Committee to advise the Independent Board Committee and the Independent H Shareholders in respect of (among other things) the Merger and the Rollover Arrangement;	SFC0320Q9
“Independent H Shareholders”	the H Shareholders other than the Offeror and any party acting in concert with it (including Falcon Holding and Platinum Peony);	
[“Irrevocable Undertaking”	the irrevocable undertaking given by [●], [a company incorporated in [●] with limited liability] in favour of the Offeror on [●] March 2025, details of which as described in the section headed “6. <i>IRREVOCABLE UNDERTAKING BY [●]</i> ” in this joint announcement;]	
“IU Shares”	have the meaning given to it in the section headed “6. <i>IRREVOCABLE UNDERTAKING BY [●]</i> ” in this joint announcement;	
“Last Trading Date”	14 March 2025, being the last trading day for the H Shares on the Stock Exchange immediately prior to the publication of this joint announcement;	
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;	

“Long-stop Date”	[●] ⁹ 2025, being the last date the Pre-Conditions, the Conditions to effectiveness and the Conditions to implementation can be satisfied, unless the Offeror and the Company otherwise agree, subject to the consent of the Executive;	SFC0325Q16
“Merger”	the proposed merger by absorption of the Company by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws as contemplated under the Merger Agreement;	
“Merger Agreement”	the merger agreement entered into between the Offeror and the Company on [●] March 2025 in relation to the Merger;	
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing on [●] March 2025 (the date of this joint announcement) and ending on the date that the Merger becomes unconditional (i.e., all of the Pre-Conditions and Conditions are fulfilled or waived, as applicable) or the date on which the Merger is not approved or otherwise lapses or the date determined by the Executive as the date on which the relevant offer period shall end, whichever is earlier;	SFC0320Q 26
“Offeror”	Jingyu Enterprise Development (Shandong) Co., Ltd.* (菁裕企業發展(山東)有限公司), a company incorporated in the PRC with limited liability which is wholly-owned by Falcon Holding;	
“Outstanding Share Awards”	have the meaning given to it in the section headed “8. INFORMATION ON THE OFFEROR AND THE COMPANY” in this joint announcement;	
“PAG”	PAG, formerly known as PAG Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 28 June 2010;	
“PAG Fund IV”	PAG Asia IV LP, a limited partnership formed in the Cayman Islands and having its registered office at PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands, being the largest limited partner of Falcon Holding as at the date of this joint announcement;	

⁹ **Note to Draft:** To insert date that is 9 months from date of this joint announcement.

“Platinum Peony”	Platinum Peony B 2023 RSC Limited, a restricted scope company incorporated under the laws and regulations of the Abu Dhabi Global Market (in the Emirate of Abu Dhabi, United Arab Emirates);
“Potential Rollover Entity”	being either the Offeror or an unlisted entity to be designated by the Offeror which is a special purpose vehicle or limited partnership newly established for the sole purposes of issuing shares or other form of equity interest (such as limited partnership interests) under the Potential Share Alternative Offer and holding registered capital in the Offeror;
“Potential Rollover Securities”	shares or other form of equity interest (such as limited partnership interests) of the Potential Rollover Entity;
“Potential Share Alternative Offer”	has the meaning as ascribed to this expression in the section headed “4. CANCELLATION PRICE” of this joint announcement;
“PRC” or “China”	the People’s Republic of China, which for the purposes of this joint announcement does not include Hong Kong, the Macau Special Administrative Region and Taiwan unless the context otherwise specifies;
“PRC Company Law”	the Company Law of the PRC, as amended, supplemented or otherwise modified from time to time;
“PRC Laws”	any and all laws, regulations, statutes, rules, decrees, notices, the supreme court’s judicial interpretations and other regulatory documents, including any amendments, revisions, supplements, interpretations and reformulations thereof, as may be in force and publicly available in the PRC from time to time;
“Pre-Conditions”	have the meaning given to it in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT” in this joint announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Rollover Arrangement”	the arrangement pursuant to which the Offeror will settle the Cancellation Price payable for the cancellation of the H Shares held by Platinum Peony through issuance of the registered capital of the Offeror as described in the section headed “5. SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT” in this joint announcement

	(including the Capital Increase Agreement and the Shareholders Agreement);
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as revised, supplemented or otherwise modified from time to time);
“Shareholders”	H Shareholders and Domestic Shareholders;
“Shareholders Agreement”	the shareholders agreement to be entered into between Falcon Holding and Platinum Peony, the key terms of which are further disclosed in the section headed “5. SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT” in this joint announcement;
“Shares”	collectively, H Shares and Domestic Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC (as revised, supplemented or otherwise modified from time to time);
“trading day”	a day on which the Stock Exchange is open for dealing or trading in securities;
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
“U.S. Exchange Act”	the U.S. Securities Exchange Act of 1934, as amended;
“US\$”	US dollars, the lawful currency of the United States; and
“%”	per cent.

By order of the sole director of
Jingyu Enterprise Development
(Shandong) Co., Ltd.*
Lingjie Zhu
Sole Director

By order of the Board
Shandong Fengxiang Co., Ltd.
Shi Lei
Executive director and company secretary

Shandong, the PRC, [●] March 2025

As at the date of this joint announcement, the Board comprises Mr. Xiao Dongsheng and Mr. Shi Lei as executive Directors; Mr. Qiu Zhongwei, Mr. Lu Wei, Mr. Zhu Lingjie and Ms. Zhou Ruijia as non-executive Directors; and Ms. Wang Anyi, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Offeror, Falcon Holding and any parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror and the directors of Falcon Holding GP Limited and PAG Asia Capital GP IV Limited in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any of the statements in this joint announcement misleading.

SFC0325Q17

As at the date of this joint announcement, the Offeror's sole director is Mr. Zhu Lingjie. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Company) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any of the statements in this joint announcement misleading.

SFC0325Q18

As at the date of this joint announcement, the general partner of Falcon Holding is Falcon Holding GP Limited. As at the date of this joint announcement, the directors of Falcon Holding GP Limited are Lincoln Lin Feng Pan, Gauravjit Singh and Koichi Ito.

As at the date of this joint announcement, the directors of PAG Asia Capital GP IV Limited (being the general partner of PAG Fund IV) are Jon Robert Lewis, Derek Roy Crane, Noel Patrick Walsh and Mark Raymond Bennett.

The directors of Falcon Holding GP Limited and PAG Asia Capital GP IV Limited jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any of the statements in this joint announcement misleading.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.

For the purpose of this joint announcement, amounts denominated in RMB have been translated into HK\$ based on the Exchange Rate unless otherwise specified. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

* *For identification purposes only.*

附表 1
截至本承诺书签署之日的受要约股份

股份类别及数量	股东的准确名称及地址（按公司股东名册显示）	实益拥有人
47,478,000 股 H 股	JinYi Capital Multi-Strategy Fund SPC Ltd. 4th Floor, Harbour Place, 103 SouthChurch Street, P.O.Box 10240, Grand Cayman KY1-1002, Cayman Islands	JinYi Capital Multi-Strategy Fund SPC Ltd.

附表 2 保证

1. **义务人**是依据开曼群岛的法律有效注册或成立，且自成立以来一直有效存续的公司。
2. **义务人**已获得适当授权，拥有充分的权力与能力，且已采取所有必要行动来签署并交付本**承诺书**，并根据其条款行使权利、履行义务。
3. **义务人**在本**承诺书**下的义务及任何将在**完成日期**之前签署的文件将会构成或（就已签署的文件而言）构成对**义务人**有效、合法且有约束力的义务，并可以根据其条款强制执行。
4. 本**承诺书**（或将在**完成日期**之前签署的文件）的签署与履行，以及**合并**的实施与完成，均不会导致**义务人**违反任何**适用法律**，也不会构成**义务人**对其作为一方之任何合同、协议、公司章程、承诺或义务的违反。
5. 在截至本**承诺书**日期（含当日）的六个月内，**义务人**未曾以代价进行有关公司任何证券的交易。

附表 3
要约人的陈述与保证

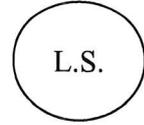
1. **要约人**是依据**中国**的法律有效注册，且自注册以来一直有效存续的公司。
2. **要约人**已获得适当授权，拥有充分的权力与能力，且已采取所有必要行动来签署并交付本**承诺书**，并根据其条款行使权利、履行义务。
3. **要约人**在本**承诺书**下的义务及任何将在**完成日期**之前签署的文件将会构成或（就已签署的文件而言）构成对**要约人**有效、合法且有约束力的义务，并可以根据其条款强制执行。
4. 本**承诺书**（或将在**完成日期**之前签署的文件）的签署与履行，以及**合并**的实施与完成，均不会导致**要约人**违反任何**适用法律**，也不会构成**要约人**对其作为一方之任何合同、协议、公司章程、承诺或义务的违反。

作为契据签署
由

为且代表

JINYI CAPITAL MULTI-STRATEGY FUND SPC LTD.)

并由以下见证人见证：



孙大雨

见证人签署

孙大雨

见证人姓名

北京市朝阳区东成中心B座

见证人地址

1101室

作为契据签署

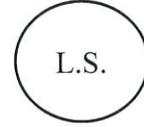
由

为且代表

菁裕企业发展(山东)有限公司

并由以下见证人见证:

)
)
)
)
)
)



见证人签署

邓敏娜 _____

见证人姓名

上海市静安区南京西路1266号 _____

见证人地址

恒隆广场一期65层 _____