

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 shares of First Natural Foods Holdings Limited.



INVENTIVE STAR LIMITED

(Incorporated in the British Virgin Islands with limited liability)

FIRST NATURAL FOODS HOLDINGS LIMITED

第一天然食品有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1076)

JOINT ANNOUNCEMENT

**(1) SALE AND PURCHASE OF 74.99% SHARES IN
FIRST NATURAL FOODS HOLDINGS LIMITED
BY INVENTIVE STAR LIMITED;**

**(2) MANDATORY UNCONDITIONAL CASH OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF
INVENTIVE STAR LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
FIRST NATURAL FOODS HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY OR AGREED
TO BE ACQUIRED BY
INVENTIVE STAR LIMITED
AND PARTIES ACTING IN CONCERT WITH IT); AND**

(3) RESUMPTION OF TRADING

Financial adviser to Inventive Star Limited



禹銘投資管理有限公司

YU MING INVESTMENT MANAGEMENT LIMITED

* *For identification purpose only*

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor (the controlling Shareholder of the Company) that on 12 September 2013, the Offeror had entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Offeror had agreed to acquire and the Vendor had agreed to sell the Sale Shares, being 300,182,154 Shares, for a total Consideration of HK\$300,182,154, equivalent to HK\$1.00 per Sale Share. The Sale Shares represent approximately 74.99% of the 400,246,274 Shares in issue of the Company as at the date of this joint announcement. Completion took place on 19 September 2013.

MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror is interested in 300,182,154 Shares, representing approximately 74.99% of the entire issued share capital of the Company, and accordingly, the Offeror is required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares which are not owned or have been agreed to be acquired by it and parties acting in concert with it. Yu Ming will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:–

For each Offer Share.HK\$1.00 in cash

The Offer Price of HK\$1.00 per Offer Share equals the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

Principal terms of the Offer are set out under the paragraph headed “Mandatory unconditional cash offer” of this joint announcement. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offer. Yu Ming will underwrite all the Offer Shares tendered for acceptance under the Offer, and has sufficient financial resources available to satisfy full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Leung King Yue Alex and Mr. Tang Chi Chung Matthew, has been formed to advise the Independent Shareholders in respect of the Offer. As Mr. Lee Wa Lun Warren, a non-executive Director, is also the managing director of Yu Ming, which in turn advises the Offeror in respect of the Offer, he was excluded from the Independent Board Committee to avoid any conflict of interest as to recommendation on acceptance of the Offer by the Independent Shareholders. Further announcement will be made upon the appointment of the independent financial adviser to the Independent Board Committee.

GENERAL

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve, an offer document is required to be despatched to the Shareholders. The Company is required to send the offeree board circular in respect of the Offer to the Shareholders within 14 days after the posting of the offer document, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into a composite offer document. Accordingly, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders.

SUSPENSION AND RESUMPTION OF TRADING

Pending the release of this joint announcement, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 13 September 2013 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 23 September 2013.

The Company was informed by the Vendor (the controlling Shareholder of the Company) that, on 12 September 2013, the Offeror had entered into the Sale and Purchase Agreement with the Vendor, details of which are set out below.

THE SALE AND PURCHASE AGREEMENT

Date: 12 September 2013

Parties: (i) Groupwill Holdings Limited as the Vendor
(ii) the Offeror as the purchaser

Sale Shares and the Consideration

Pursuant to the terms of the Sale and Purchase Agreement, the Offeror had agreed to acquire and the Vendor had agreed to sell the Sale Shares, being 300,182,154 Shares, free from all liens, claims, equities, charges, Encumbrances or third party rights of whatsoever nature and together with all rights and benefits attaching or accruing to them on or after Completion. The Sale Shares represent approximately 74.99% of the entire issued share capital of the Company as at the date of this joint announcement.

The Consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$300,182,154, equivalent to HK\$1.00 per Sale Share, which was/shall be paid by the Offeror in the following manner:—

- (i) HK\$30,000,000 was paid by the Offeror by cheque to the Vendor upon the signing of the Sale and Purchase Agreement as deposit and in part payment of the Consideration;
- (ii) HK\$90,000,000 was paid by the Offeror by cheque to the Vendor on 19 September 2013 as second instalment and in part payment of the Consideration; and
- (iii) the balance of the Consideration in the sum of HK\$180,182,154 shall be paid by the Offeror by cheque or cashier's order to the Vendor or as the Vendor shall direct within twelve months after Completion.

The Offeror shall not be obliged to complete the purchase of any of the Sale Shares unless the sale of all of the Sale Shares is completed simultaneously.

The Consideration was determined following arm's length negotiations between the Offeror and the Vendor, after taking into consideration (i) unaudited consolidated net assets of the Group attributable to Shareholders as at 30 June 2013 of HK\$0.40 per Share; (ii) the prevailing market prices of the Shares on the Stock Exchange; and (iii) the business prospects and development potential of the Group.

Undertaking, Warranties and Indemnities

The Offeror undertakes to the Vendor that before the Consideration is fully paid, it will not, among other things, offer, sell or pledge the Sale Shares or grant options, issue warrants or any securities convertible into or carry rights to subscribe or purchase the Sale Shares. The Offeror has given indemnity to the Vendor against all losses from its breach of this undertaking.

The Vendor has given certain customary Warranties to the Offeror, in respect of, among other things, the ownership of the Sale Shares, and other warranties in relation to the underlying business and operations of the Group.

The Vendor has also given indemnity to the Offeror against all losses from its breaches of the Warranties or failure to perform obligations under the Sale and Purchase Agreement. The maximum liability for such breaches shall be not more than HK\$300,182,154 and the Vendor shall not be liable unless (i) the indemnity is in excess of HK\$500,000; (ii) the aggregate of those claims exceeds HK\$1,000,000; and (iii) the Offeror has given written notice of such claim on or prior to 31 March 2014.

Completion

Completion took place on 19 September 2013.

MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror is interested in 300,182,154 Shares, representing approximately 74.99% of the entire issued share capital of the Company, and accordingly, the Offeror is required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares which are not owned or have been agreed to be acquired by it and parties acting in concert with it. Yu Ming will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:–

For each Offer Share HK\$1.00 in cash

The Offer Price of HK\$1.00 per Offer Share equals the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

Total Consideration

As at the date of this joint announcement, there are 400,246,274 Shares in issue and there are no options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

Based on the Offer Price of HK\$1.00 per Offer Share, the entire issued share capital of the Company is valued at HK\$400,246,274. As the Offeror is interested in 300,182,154 Shares as at the date of this joint announcement, the total number of issued Shares subject to the Offer will be 100,064,120 Shares. In the event that the Offer is accepted in full, the aggregate amount payable by the Offeror under the Offer will be HK\$100,064,120.

Offer Price

The Offer Price of HK\$1.00 per Offer Share represents:

- (i) a discount of approximately 72.07% to the closing price of HK\$3.58 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 74.29% to the average closing price of approximately HK\$3.89 per Share for the last five trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 71.59% to the average closing price of approximately HK\$3.52 per Share for the last ten trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 49.24% to the average closing price of approximately HK\$1.97 per Share for the last thirty trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 150.00% over the unaudited net asset value of approximately HK\$0.40 per Share as at 30 June 2013 and the audited net asset value of approximately HK\$0.40 per Share as at 31 December 2012.

Highest and Lowest Share Prices

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$4.20 on 6 September 2013 and 9 September 2013, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.55 on 11 June 2013.

Confirmation of Financial Resources

Yu Ming will underwrite all the Offer Shares tendered for acceptance under the Offer for a commission of 2.5% of the aggregate value of the Offer Shares at the Offer Price, and Yu Ming has sufficient financial resources available to satisfy full acceptance of the Offer.

Yu Ming will take up all the Offer Shares tendered for acceptance under the Offer and it will make arrangement to place down the Offer Shares to independent third parties so that Yu Ming will not become a substantial shareholder or a connected person (as defined under the Listing Rules) of the Company upon closing of the Offer and public float of the Company can be maintained after the close of the Offer.

Effect of Accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares fully paid and free from all liens, charges, Encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of the Composite Document, which is expected to be issued jointly by the Offeror and the Company.

Overseas Shareholders

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Stamp Duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Other Arrangements

Save for the Sale Shares under the Sale and Purchase Agreement, none of Ms Cui, the Offeror, Yu Ming, or parties acting in concert with any of them has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement.

The Offeror confirms that, as at the date of this joint announcement:—

- (i) save for the Sale Shares, none of Ms Cui, the Offeror, Yu Ming, or parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) none of Ms Cui, the Offeror, Yu Ming, or parties acting in concert with any of them have received any irrevocable commitment to accept the Offer;

- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iv) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Ms Cui, the Offeror, Yu Ming, or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (v) none of Ms Cui, the Offeror, Yu Ming, or parties acting in concert with any of them has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange since 2002. The Group is principally engaged in the processing and trading of food products mainly including frozen and functional food products.

Set out below is a summary of the audited consolidated results of the Group for each of the two financial years ended 31 December 2011 and 2012, and its unaudited consolidated results for the six months ended 30 June 2013, as extracted from the Company's 2012 annual report and the Company's interim results announcement for the six months ended 30 June 2013, respectively.

<i>HK\$'000</i>	For the six months ended 30 June 2013 (Unaudited)	For the financial year ended 31 December	
		2012 (Audited)	2011 (Audited)
Turnover	254,171	651,562	881,291
(Loss)/Profit before tax (<i>Note</i>)	(1,895)	385,200	5,967
(Loss)/Profit attributable to owners of the Company	(1,895)	382,858	2,742

Note: The profit before tax of the Company for financial year ended 31 December 2012 was mainly attributable to a gain on debts discharged under the scheme of arrangement of approximately HK\$381,258,000.

The unaudited consolidated net assets of the Group attributable to Shareholders as at 30 June 2013 were approximately HK\$158,593,000, which was equivalent to approximately HK\$0.40 per Share. The audited consolidated net assets of the Group attributable to Shareholders as at 31 December 2012 were approximately HK\$160,488,000, which was equivalent to approximately HK\$0.40 per Share and the audited consolidated net liabilities of the Group attributable to Shareholders as at 31 December 2011 were approximately HK\$437,229,000.

Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) as at the date of this joint announcement:

	Immediately prior to Completion		As at the date of this joint announcement	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Groupwill Holdings Limited (Note)	300,182,154	75.00	–	–
The Offeror	–	–	300,182,154	75.00
Public Shareholders	100,064,120	25.00	100,064,120	25.00
Total	<u>400,246,274</u>	<u>100.00</u>	<u>400,246,274</u>	<u>100.00</u>

Note: Groupwill Holdings Limited is an investment holding company incorporated in the British Virgin Islands and its entire issue share capital is beneficially owned by Mr. Huang Kunyan.

INFORMATION ON THE OFFEROR

The Offeror was incorporated in the British Virgin Islands with limited liability and is beneficially and wholly-owned by Ms Cui. The principal activity of the Offeror is investment holding and the principal assets held by the Offeror are its equity interests in the Company. Prior to the date of the Sale and Purchase Agreement, the Offeror has not conducted any business since its incorporation.

Ms Cui is the sole shareholder and sole director of the Offeror. She is a jewelry collector and experienced in property investment in the People's Republic of China. She is well acquainted with people engaged in the eco-tourism, entertainment and gaming industries. As at the date of this joint announcement, she does not hold any directorships in any public or listed companies.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror intends to continue the Group's existing business. Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the Group with a view to developing and formulating long-term business strategy for the Group. In addition, in order to broaden its income source and to accelerate the Group's growth and future development, the Offeror plans to leverage on its network to diversify the existing business of the Group to the eco-tourism and entertainment in the People's Republic of China and/or gaming business in Macau and/or worldwide. The Offeror will also explore and consider any other investment and business opportunities that may arise in the market from time to time that it considers value-enhancing to Shareholders and/or otherwise in the best interests of the Group. If any possible investment materializes, the Company will make further announcement as and when required under the Listing Rules. As at the date of this joint announcement, the Offeror has not identified such investment or business opportunities.

Furthermore, in order to strengthen the capital base of the Group so that it is in a better position to capture any investment and business opportunities that may arise, the Offeror will, as soon as practicable after the close of the Offer, procure the directors it nominates on the Board to consider raising fund from equity or equity-related securities. Further announcement will be made once any of such fund raising proposals, is put to the Board and approved. In the event the Offeror is required to put up any equity financing, it will be at a price per Share with reference to the Offer Price of HK\$1.00 per Offer Share.

Save as required for the implementation of the Offeror's intention regarding the Group as aforementioned, the Offeror has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment (except for the proposed nomination of new directors to the Board as detailed in the section headed "Proposed change to the Board composition of the Company" below) or to dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.

Proposed Change to the Board Composition of the Company

The Board currently comprises seven directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The Offeror intends to nominate new Director(s) for appointment to the Board with effect from the earliest time permitted under the Takeovers Code. Details of the change of the Board composition and the biographies of the proposed new Director(s) will be further announced in compliance with the Takeovers Code and the Listing Rules.

Maintaining the Listing Status of the Company

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of the Company will continue to be held by the public at all times.

The Stock Exchange has indicated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:–

- (i) a false market exists or may exist in the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares.

GENERAL

Independent Board Committee

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Leung King Yue Alex and Mr. Tang Chi Chung Matthew, has been formed to advise the Independent Shareholders in respect of the Offer. As Mr. Lee Wa Lun Warren, a non-executive Director, is also the managing director of Yu Ming, which in turn advises the Offeror in respect of the Offer, he was excluded from the Independent Board Committee to avoid any conflict of interest as to recommendation on acceptance of the Offer by the Independent Shareholders. Further announcement will be made upon the appointment of the independent financial adviser to the Independent Board Committee.

Composite Document

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve, an offer document is required to be despatched to the Shareholders. The Company is required to send the offeree board circular in respect of the Offer to the Shareholders within 14 days after the posting of the offer document, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into a composite document. Accordingly, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders.

Disclosure of Dealings

All associates (including a person who owns or controls 5% or more of any class of relevant securities) of the Offeror and the Company are reminded to disclose their dealings in any relevant securities of the Company in accordance with Rule 22 of the Takeovers Code.

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

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of their clients should note that they have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates 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 HK\$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 the 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.”

SUSPENSION AND RESUMPTION OF TRADING

Pending the release of this joint announcement, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 13 September 2013 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 23 September 2013.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors of the Company
“Company”	First Natural Foods Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares contemplated under the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document in respect of the Offer to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code containing, amongst other things, the details of the Offer
“Consideration”	consideration payable for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company from time to time
“Encumbrances”	any mortgage, charge, pledge, lien, hypothecation, encumbrance or other security arrangement of any kind; or any option, equity, claim, adverse interest or other third party right of any kind; or any arrangement by which any right is subordinated to any right of such third party; or any contractual right of set-off, including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form(s) of Acceptance”	the form(s) of acceptance in respect of the Offer accompanying the Composite Document

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board, comprising all independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Leung King Yue Alex and Mr. Tang Chi Chung Matthew, formed to advise the Independent Shareholders in respect of the Offer
“Independent Shareholder(s)”	holders of the Shares, other than the Offeror and parties acting in concert with it. For the avoidance of doubt, parties acting in concert with the Offeror include, amongst others, the Vendor, Ms Cui, Yu Ming and parties acting in concert with any of them
“Last Trading Day”	12 September 2013, the last trading date before the suspension of trading in the Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM Board of the Stock Exchange
“Ms Cui”	Ms Cui Lijie, the sole shareholder and sole director of the Offeror
“Offer”	the mandatory unconditional cash offer for all the issued Shares (other than those already acquired by or agreed to be acquired by the Offeror and parties acting in concert with it) to be made by Yu Ming on behalf of the Offeror at the Offer Price
“Offeror”	Inventive Star Limited, a company incorporated under the laws of the British Virgin Islands and the purchaser of the Sale Shares under the Sale and Purchase Agreement
“Offer Price”	HK\$1.0 per Offer Share
“Offer Share(s)”	100,064,120 Shares that is subject to the Offer
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as stated in the register of members of the Company is or are outside Hong Kong
“Sale Shares”	300,182,154 Shares legally and beneficially owned by the Vendor pursuant to the Sale and Purchase Agreement prior to Completion, representing approximately 74.99% of the entire issued share capital of the Company

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Sale and Purchase Agreement”	the agreement dated 12 September 2013 entered into between the Offeror and the Vendor in relation to the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“Vendor”	Groupwill Holdings Limited, a company incorporated under the laws of the British Virgin Islands, is the controlling Shareholder holding 74.99% of the entire issued share capital of the Company prior to Completion
“Yu Ming”	Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO authorised to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)
“Warranties”	means the warranties, representations and/or undertakings given or made by the Vendor in accordance to the Sale and Purchase Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

INVENTIVE STAR LIMITED

Cui Lijie
Director

By Order of the Board
FIRST NATURAL FOODS HOLDINGS LIMITED

Huang Kunyan
Chairman

Hong Kong, 19 September 2013

As at the date of this joint announcement, the sole director of the Offeror is Ms Cui Lijie, who accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Group and parties acting in concert with it) 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 statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises Mr. Huang Kunyan, Mr. Shum Chin Tong Peter and Mr. Yau Dennis Wai Tak as executive Directors; Mr. Lee Wa Lun Warren as non-executive Director; and Mr. Wong Chi Keung, Mr. Leung King Yue Alex and Mr. Tang Chi Chung Matthew 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 that relating to the Offeror and parties acting in concert with it) 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 Offeror and parties acting in concert with it) 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 statements in this joint announcement misleading.