

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

*This announcement is for information purpose only and does not constitute an invitation to purchase or offer to sell, dispose, acquire, purchase, take up or subscribe for any securities of the Company in the United States or any other jurisdiction and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever.*



## 上海大生農業金融科技股份有限公司

Shanghai Dasheng Agriculture Finance Technology Co., Ltd.

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

**(Stock code: 1103)**

### COMPLETION OF THE SUBSCRIPTION

Reference is made to (i) the announcements of Shanghai Dasheng Agriculture Finance Technology Co., Ltd. (the “**Company**”) dated 27 October 2016, 11 November 2016 and 20 January 2017; and (ii) the circular of the Company dated 5 December 2016 (the “**Circular**”), all in relation to, among other things, the Subscription and the Placing. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

### COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all conditions to the Subscription Agreement have been fulfilled and completion of the Subscription took place on 27 February 2017. Pursuant to the Subscription Agreement, 1,000,000,000 new Domestic Shares have been duly allotted and issued as fully paid to Subscribers. Accordingly, immediately after completion of the Subscription, the registered capital of the Company was RMB863,307,981.2 which was divided into 3,349,000,000 Domestic Shares and 5,284,079,812 H Shares, each Share having a par value of RMB0.10.

Subject to the terms and conditions set out in the Placing Agreement, an aggregate of up to 1,500,000,000 new H Shares will be issued pursuant to the Placing Agreement upon completion of the Placing. On the basis that the Placing Shares are being placed in full, an aggregate of 1,000,000,000 new Domestic Shares and 1,500,000,000 new H Shares will be issued upon completion of the Subscription and the Placing. Further announcement will be made by the Company as and when the Placing has been completed.

The gross proceeds and net proceeds from the Subscription, after the deduction of the expenses of the Subscription, will be approximately RMB570,800,000 (equivalent to approximately HK\$649,958,000) and RMB569,000,000 (equivalent to approximately HK\$648,000,000) respectively.

## USE OF PROCEEDS

The proceeds from the Subscription and the Placing, after deduction of all relevant expenses, shall be used for the following purposes:–

(a) will be applied as principal for developing the Group’s agricultural finance business through capital increase in Dasheng Financial, among which:–

(i) will be applied towards Ever Fortune Financial Leasing Co., Ltd., an indirect non-wholly owned subsidiary of the Company (“**Ever Fortune**”), for the leasing and financial leasing business by way of capital injection and/or shareholders’ loan;

It is expected that the relevant part of the proceeds will be fully utilised within six months from the receipt of the same.

(ii) will be applied towards Ruiying Xinrong (Shenzhen) Commercial Factoring Co., Limited, a wholly-owned subsidiary of Ever Fortune, for the commercial factoring business by way of capital injection and/or shareholders’ loan; and

It is expected that the relevant part of the proceeds will be fully utilised within six months from the receipt of the same.

(iii) will be applied towards the investment in joint venture(s) engaging in micro-lending business in the PRC.

It is intended that the proposed joint venture will enhance the diversity of the Group’s agricultural financing services through offering financing services to the agricultural market participants.

It is expected that the relevant part of the proceeds will be fully utilised within twelve months from the receipt of the same.

- (b) will be applied towards the potential investment in, acquisition of and/or establishment of joint venture(s) with leading agricultural supply chain service company(ies) within the industry in the PRC with a business focus on providing the end-users with agricultural means of production, such as chemical fertilisers, agricultural seeds and agricultural machinery;

It is currently expected that any potential target(s) should have an annual revenue of no less than RMB5 billion and an net asset of no less than RMB1 billion. The Group would like to leverage the resources of such potential target(s) to further develop the Group's agricultural supply chain business and boost up the revenue generated from sales of relevant agricultural products. As at the Latest Practicable Date, the Company has not identified any specific target or has any plan, arrangement, understanding, intention, negotiation regarding the potential investment.

It is expected that the relevant part of the proceeds will be fully utilised within six months from the receipt of the same. Given the present timeframe, the Company intends to reserve ample fund to meet the capital needs for earnest money in entering into any share purchase agreement and/or capital contribution for establishment of joint venture(s) as and when the potential opportunity shall arise.

- (c) will be applied towards capital increase in Dasheng Agriculture for investment in agricultural trading related business, among which:–

- (i) will be applied towards the establishment of a joint venture engaging in agricultural supply chain business (especially for frozen food) in the PRC with a company mainly engaged in operating a Nanjing-based agricultural products wholesale market;

It is expected that the relevant part of the proceeds will be fully utilised within six months from the receipt of the same.

- (ii) will be applied towards the establishment of joint venture(s) with one to three agricultural products wholesale market company(ies) (mainly based in cities of East China) for developing agricultural supply chain services (especially for frozen food) in the PRC; and

It is expected that the relevant part of the proceeds will be fully utilised within twelve months from the receipt of the same.

- (iii) will be applied towards establishment of five to six agricultural wholesale market companies (mainly based in cities of East China) in relation to agricultural transaction data services by way of utilizing the smart agricultural wholesale cloud computing platform which was developed by Shanghai Runtong Industrial and Investment Co., Limited, an indirect non-wholly owned subsidiary of the Company; and

It is the intention of the Group to establish a sizable supply chain network across various regions in the PRC in order to provide agricultural supply chain business services to the market participants. It is expected that the relevant part of the proceeds will be fully utilised within twelve months from the receipt of the same, subject to the time required for research and development of the aforesaid smart agricultural cloud computing platform.

(d) will be applied towards repayment of the existing indebtedness of the Group.

As at 30 June 2016 and as at 30 September 2016, the outstanding bank borrowing was approximately RMB702,824,000 and RMB1,388,100,000, respectively. Among the outstanding bank borrowing as at 30 September 2016, approximately RMB509,500,000 was repayable within six months and approximately RMB800,600,000 was repayable within six to twelve months.

It is expected that the relevant part of the proceeds will be fully utilised within twelve months from the receipt of the same.

Set forth is the proposed use of proceeds in the following scenario:–

***Scenario 1: the Subscription is duly completed and the Placing does not proceed***

In that event, the expected net proceeds from the Subscription will be approximately HK\$648 million, among which approximately 73.9% or HK\$479 million, 24.7% or HK\$160 million and 1.4% or HK\$9 million will be applied towards (a), (b) and (c)(i) as set out above, respectively.

Among the use of (a), approximately 24.7% or HK\$160 million, 36.9% or HK\$239 million and 12.3% or HK\$80 million of the net proceeds from the Subscription will be applied towards (a)(i), (a)(ii) and (a)(iii) as set out above, respectively.

***Scenario 2: the Placing Shares are being placed to the Placees in full or in part and the Subscription does not proceed***

Given that the Subscription has been duly completed, Scenario 2 of the use of proceeds as disclosed in the Circular is not applicable.

***Scenario 3: the Subscription is duly completed and the Placing Shares are being placed to the Places in full or in part***

In that event, the expected net proceeds from the Subscription and the Placing will be approximately HK\$1,596.8 million, among which approximately 30% or HK\$479 million, 10% or HK\$160 million, 20% or HK\$319 million and 40% or HK\$638.8 million will be applied towards (a), (b), (c) and (d) as set out above, respectively.

Among the use of (a), approximately 10% or HK\$160 million, 15% or HK\$239 million and 5% or HK\$80 million of the net proceeds from the Subscription and the Placing will be applied towards (a)(i), (a)(ii) and (a)(iii) as set out above, respectively.

Among the use of (c), approximately 5% or HK\$80 million, 12% or HK\$192 million and 3% or HK\$47 million of the net proceeds from the Subscription and the Placing will be applied towards (c)(i), (c)(ii) and (c)(iii) as set out above, respectively.

Should the Placing not be completed in full, less proceeds will be applied towards (d) and if necessary, (c) accordingly.

In relation to the aforesaid proposed investment(s), acquisition(s) and establishment of joint venture(s), the Company will comply with the applicable rules and requirements under Chapter 14 of the Listing Rules as and when required.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company (i) immediately before completion of the Subscription; (ii) immediately after completion of the Subscription; and (iii) immediately after completion of the Subscription and the Placing (assuming all the Placing Shares are placed and there is no change in the total issued share capital of the Company from the date of this announcement and up to completion of the Placing save for the issue of the Placing Shares).

Share Class	Immediately before completion of the Subscription (Note 1)		Immediately after completion of the Subscription (Note 1)		Immediately after completion of the Subscription and the Placing (Note 1)		
	Approximate %		Approximate %		Approximate %		
	Number of Shares	of the total issued Shares	Number of Shares	of the total issued Shares	Number of Shares	of the total issued Shares	
<b>Non-public Shareholders</b> (Note 2)							
Shenzhen Dasheng (Note 3)	Domestic Shares	1,368,013,540 (Note 4)	17.92	1,818,013,540	21.06	1,818,013,540	17.94
Zhenjiang Runde (Note 5)	Domestic Shares	980,986,460 (Note 6)	12.85	1,530,986,460	17.73	1,530,986,460	15.11
HK Dasheng Investment (Note 3)	H Shares	2,250,000,000	29.48	2,250,000,000	26.06	2,250,000,000	22.21
<b>Public Shareholders</b>							
Placees (Note 7)	H Shares	–	–	–	–	1,500,000,000	14.80
Other public H Shareholders	H Shares	3,034,079,812	39.75	3,034,079,812	35.15	3,034,079,812	29.94
<b>Total</b>		<u>7,633,079,812</u>	<u>100.00</u>	<u>8,633,079,812</u>	<u>100.00</u>	<u>10,133,079,812</u>	<u>100.00</u>

Notes:

- (1) Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) Non-public Shareholders refer to connected persons of the Company of which their respective shareholdings will not be regarded as part of the public float.

- (3) As at the date of this announcement, Shenzhen Dasheng is owned as to 70% by Qianhai Dasheng and 30% by Dasheng Holdings, and each of Qianhai Dasheng and Dasheng Holdings is owned as to 70% and 30% by Mr. Lan Huasheng (the chairman of the Board and an executive Director) and Mr. Lu Tingfu (a supervisor of the Company), respectively. HK Dasheng Investment is wholly-owned by Shenzhen Dasheng. Shenzhen Dasheng and HK Dasheng Investment are not regarded as public Shareholders.
- (4) The 1,368,013,540 Domestic Shares are charged by Shenzhen Dasheng in favour of a third party as security for a loan, and the loan amount is for Shenzhen Dasheng's own use.
- (5) As at the date of this announcement, Zhenjiang Runde is wholly-owned by Mr. Wang Liguó (an executive Director) and is not regarded as public Shareholder.
- (6) The 980,986,460 Domestic Shares are charged by Zhenjiang Runde in favour of a third party as security for a loan, and the loan amount is for Zhenjiang Runde's own use. For details, please refer to the announcement of the Company dated 5 December 2016 in relation to this matter.
- (7) It is expected that each of the Placees and (where a corporation) their respective ultimate beneficial owner(s) will not be connected person of the Company and will be independent of and not connected with the Company and its connected persons.

**The completion of the Placing is subject to the satisfaction of the conditions precedent set out in the announcements dated 27 October 2016 and 11 November 2016, the Circular and the Placing Agreement. Accordingly, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.**

By Order of the Board  
**Shanghai Dasheng Agriculture Finance Technology Co., Ltd.**  
**Mo Luojiang**  
*Executive Director and Chief Executive Officer*

Shanghai, PRC, 27 February 2017

*As at the date of this announcement, the Board comprises three executive Directors: Mr. Lan Huasheng, Mr. Mo Luojiang and Mr. Wang Liguó; one non-executive Director: Mr. Zhu Tianxiang; and three independent non-executive Directors: Mr. Chung Cheuk Ming, Mr. Yang Gaoyu and Mr. Zhou Jianhao.*

*Unless otherwise specified in this announcement and for the purpose of illustration only, RMB has been translated to HK\$ at the rate of HK\$1=RMB0.87821. No representation has been made by the Company that any amount expressed in foreign currency in this announcement has been, could have been or could be converted at any rates at all.*