

Stock code: 603288

Stock abv: Haitian Flavoring & Food Co., Ltd.

Announcement No.: 2016-001

## **Foshan Haitian Flavoring & Food Co., Ltd. Announcement on Establishing a Wholly-owned Subsidiary**

The Board of Directors of the Company and all its directors guarantee that there are no fraudulent records, misleading statements or material misstatement in this announcement and shall be individually and collectively responsible for its truthfulness, accuracy and integrity.

Highlights:

- Investment target: Shenzhen Qianhai Tianyi Trading Co., Ltd.
- Investment size: RMB20 million.

### **I. Investment Overview**

a. Foshan Haitian Flavoring & Food Co., Ltd. (hereinafter referred to as the 'Company') will invest in monetary capital of RMB20 million to establish a wholly-owned subsidiary with a name as 'Shenzhen Qianhai Tianyi Trading Co., Ltd.' in Qianhai, Shenzhen.

b. It was discussed and approved at the 22<sup>nd</sup> meeting of the 2<sup>nd</sup> Board Meeting on February 25, 2016.

c. This matter is within the scope of decision-making authority of the Board, and no related-transaction or major assets restructuring is involved. Therefore, there is no need to submit it to the shareholders' meeting for further discussion or approval.

### **II. Investment Entity**

The Company is the only and sole investment entity and there is no other counterparty involved.

### **III. Investment Target**

Name: Shenzhen Qianhai Tianyi Trading Co., Ltd.

Registered capital: RMB20 million

Registration place: Qianhai, Shenzhen

Scope of business:

- Domestic trading (exclusive of specially operated, controlled or monopolized commodities);
- Wholesale and retailing of foods, flavorings, beverages, articles of daily use, agricultural produces and byproducts, aquatic products, packing material, plastic products, glasswork, metallic material and chemicals (excluding hazardous chemicals);
- Handling of import and export of commodities, goods and technologies by way of self-operation and agency services;
- Transportation of general goods;
- Logistics and information consulting services;

Equity structure: Foshan Haitian Flavoring & Food Co., Ltd. will invest RMB 20 million, 100% of the registered capital.

The above information is subject to the registration at the local Industry and Commerce Department.

#### **IV. Transaction Purpose and Its Influence to the Listed Company**

The establishment of a wholly-owned subsidiary in Qianhai, Shenzhen complies with the Company's strategic planning and operations/growth needs. Qianhai boasts a strong radiation advantage at both home and abroad. The subsidiary will help the Company to explore new business and create new growth source based on our core business, therefore bringing better returns to the shareholders.

#### **V. Risk Analysis on this Investment**

There will be risks from market, operations and management that may influence the business performance of the wholly-owned subsidiary. The Company will pay close attention to the market and industrial growth trends, and will take proactive measures to prevent and mitigate all those risks.

#### **VI. Reference Document**

- a. The resolution of the 22<sup>nd</sup> meeting of the 2<sup>nd</sup> Board Meeting

Board of Directors of Foshan Haitian Flavoring & Food Co., Ltd.

February 26, 2016