嘉士利集團有限公司
Jiashili Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1285)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

The Lender entered into the Loan Agreement on 20 December 2018, pursuant to which the Lender agreed to grant to the Borrower the Loan in accordance with the terms of the Loan Agreement.

As one or more of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Loan are more than 5% and all of such ratios are below 25%, the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

The Lender entered into the Loan Agreement on 20 December 2018, pursuant to which the Lender agreed to grant to the Borrower the Loan in accordance with the terms of the Loan Agreement. The principal terms of the Loan Agreement are set out as follows:

The Loan Agreement

Date:	20 December 2018
Lender:	Jinjiang Youchang Food Company Limited* (晉江友昌食品有限公司)
Borrower:	Suqian Dingsheng Logistics Company Limited* (宿遷市鼎盛物流有限公司)

Principal:	RMB68 million
Drawdown date:	20 December 2018
Term:	from 20 December 2018 to 30 June 2019
Interest rate:	6% per annum, accrued daily on a 365-day basis
Repayment terms:	the Borrower shall repay the principal amount with accrued interest at the end of the term of the Loan. Early repayment of the Loan is acceptable.
Security:	the Borrower shall pledge to the Lender the equity interest in the shares and/or assets of the investment target to be acquired by the Borrower using the proceeds from the Loan, or provide alternative security to the satisfaction of the Lender.

SOURCE OF FUNDING

The Group financed the Loan with the Lender's working capital.

INFORMATION OF THE BORROWER

The Borrower is a limited liability company established in the PRC which is principally engaged in logistics services including transportation and warehousing services in the PRC. The proceeds from the Loan was used by the Borrower for its acquisition of approximately 64.97% interest in the Fund.

To the best of the Directors' knowledge, information and belief having made all reasonable inquiries, the Borrower and its ultimate beneficial owner are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

INFORMATION OF THE GROUP AND THE LENDER

The Group is principally engaged in manufacturing and sales of biscuits in PRC and Hong Kong, as well as treasury investments.

The Lender is a limited company established in the PRC, which is principally engaged in investment holding and beneficially wholly-owned by Zhongzhi Lijia. Zhongzhi Lijia is a limited partnership established in the PRC and principally engaged in equity and debt investments pursuing capital growth and returns with a focus of food-related businesses, and provision of investment consulting services. Zhongzhi Lijia is a subsidiary of the Company, with 99% of its equity interest indirectly beneficially owned by the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

By entering into the Loan Agreement, the Group intends to increase the rate of return of its cash and cash equivalents which can improve both the investment income and the profits of the Group. Further, the terms of the Loan Agreement were negotiated on an arm's length basis between the Lender and the Borrower based on, among other things, the financing needs of the Borrower and the Group's assessment on the business conditions and creditworthiness of the Borrower. The Directors are of the view that the Loan Agreement was entered into on normal commercial terms.

Taking into account the interest income that is expected to be generated from the Loan, the Directors consider that the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Loan are more than 5% and all of such ratios are below 25%, the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors;
"Borrower"	Suqian Dingsheng Logistics Company Limited* (宿遷市鼎盛物流有限公司), a limited liability company established in the PRC which is principally engaged in logistics services including transportation and warehousing services in the PRC;
"Company"	Jiashili Group Limited, a company incorporated in the Cayman Islands, its Shares are listed on the Main Board of the Stock Exchange;
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules;
"Director(s)"	the director(s) of the Company;

"Fund"	an investment fund in the form of a limited partnership established in the PRC on 29 June 2017, where Guangdong Jiashili Food Group Limited* (廣東嘉士利食品集團有限公司), an indirect wholly-owned subsidiary of the Company, holds approximately 34.98% interest as of the date of this announcement;
"Group"	the Company and its subsidiaries;
"Lender"	Jinjiang Youchang Food Company Limited* (晉江友昌食品有限公司), a limited liability company established in the PRC and a subsidiary of the Company;
"Loan"	the loan in the principal amount of RMB68 million granted by the Lender to the Borrower pursuant to the Loan Agreement;
"Loan Agreement"	the loan agreement dated 20 December 2018 and entered into between the Lender and the Borrower, pursuant to which the Lender agreed to grant the Loan to the Borrower;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	the People's Republic of China, excluding Taiwan, Hong Kong and the Macao Special Administrative Region of the PRC for the purpose of this announcement;
"RMB"	Renminbi, the lawful currency of the PRC;
"Shareholder(s)"	the shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Zhongzhi Lijia"	Guangzhou Zhongzhi Lijia Investment Partnership* (廣州中致利嘉投資合夥企業), a limited partnership established in the PRC and a subsidiary of the Company, with 99% of its equity interest indirectly owned by the Company;
"%"	per cent.

By order of the Board
Jiashili Group Limited
Huang Xianming
Chairman

Hong Kong, 26 March 2019

As at the date of this announcement, the Board comprises Mr. Huang Xianming, Mr. Tan Chaojun, Mr. Chen Minghui as executive Directors; Mr. Lin Xiao as non-executive Director; Mr. Kam Robert, Ms. Ho Man Kay, and Mr. Ma Xiaoqiang as independent non-executive Directors.

* *For identification purposes only*