

**CHINA SHENGHAI FOOD HOLDINGS COMPANY LTD:
TO THE MANY FISH EATERS OF THE MIDDLE KINGDOM:
CHEERS !**

One of the most-striking features with regard to the listing Prospectus of China Shenghai Food Holdings Company Ltd () (Code: 1676, Main Board, The Stock Exchange of Hongkong Ltd) was, without doubt, that of the Undertakings of the Company's Controlling Shareholders, to wit, Mr Liu Rong Ru () and an offshore company that he beneficially owns.

At Page 270 of the Global Offering Prospectus, dated June 30, 2017, it is stated:

'Each of our Controlling Shareholders further undertakes jointly and severally to each of the Sole Sponsor, the Joint Global Coordinators, our Company, the Public Offer Underwriters that, during the first 36 months from the Listing Date (July 18, 2017), he/it will:

- '(i) when he/it pledges or charges any securities or interests in the relevant securities, immediately inform our Company, the Sole Sponsor and the Joint Global Coordinators in writing of such pledges or charges together with the number of securities and nature of interest so pledged or charged; and*
- '(ii) when he/it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform our Company, the Sole Sponsor and the Joint Global Coordinators in writing of such indications.'*

In the preceding Page 269, it is stated, inter alia:

- '(i) at any time during the period commencing on the date by reference to which disclosure of the shareholding of our Controlling Shareholders is made in this prospectus and ending on the date which is 12 months from the Listing Date ("First Lock-up Period"), except pursuant to the Global Offering, he/it shall not, and shall procure that the relevant registered holder(s) and his/its associates and companies controlled by him/it and any nominee or trustee holding in trust for him/it shall not, without the prior written consent of the Sole Sponsor and the Joint Global Coordinators and unless pursuant to the Stock Borrowing Agreement between Precisely Unique and the Stabilising Manager or otherwise in compliance with the requirements of the Listing Rules, (a) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, any of the relevant securities (in respect of which each relevant Controlling Shareholder is shown by this prospectus to be the beneficial owner); or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Shares, whether any of the foregoing transactions is to be settled by delivery*

of Shares or such other securities, in cash or otherwise; or (c) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in (a) or (b) above; or (d) announce any intention to enter into or effect any of the transactions referred to in (a), (b) or (c) above;

- ‘(ii) at any time during the 24 months commencing on the date on which the First Lock-up period expires without the consent of (i) all the independent non-executive Directors of our Company; and (ii) the Sole Sponsor and Joint Global Coordinators, he/it shall not, and shall procure that the relevant registered holder(s) and his/its associates or companies controlled by him/it and any nominee or trustee holding in trust for him/her/it shall not, without the prior written consent of the Stock Exchange, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any relevant securities referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a controlling shareholder of our Company or would together with the other Controlling Shareholders cease to be the controlling shareholders of our Company ...’.*

In a nutshell, that which the above extracts, copied faithfully from the Global Offering Prospectus, are meant to promise existing and/or prospective investors that Mr Liu Rong Ru and Precisely Unique Ltd (), a company, incorporated in the **British Virgin Islands (BVI)** whose Entire Issued and Fully Paid-Up Share Capital is owned by Mr Liu Rong Ru, shall not dispose or otherwise lose control, directly or indirectly, of 52.50 percent of the Issued and Fully Paid-Up Share Capital of China Shenghai Food Holdings Company Ltd, prior to July 17, 2020.

This is ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*