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LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

VOLUNTARY ANNOUNCEMENT INVESTMENT IN CONSTRUCTION OF SPECIALTY FATS PRODUCTION PLANT

This is a voluntary announcement made by Lam Soon (Hong Kong) Limited (the “Company”, together with its subsidiaries, the “Group”) to keep the shareholders of the Company and potential investors informed of the latest business developments concerning the Company.

PROJECT INVESTMENT AGREEMENT

The board of directors (the “Board”) of the Company is pleased to announce that on 27 June 2019, Hong Kong Flour Mills Limited, a wholly-owned subsidiary of the Company, entered into a project investment agreement (the “Project Investment Agreement”) with 常州市金壇區指前鎮人民政府 (People’s Government of Zhiqian Town, Jintan District, Changzhou City*) in relation to an investment project of a total estimated investment sum of RMB100 million (equivalent to approximately HK\$113 million) for the construction of a production plant and storage facilities for manufacturing, processing and trading of specialty fats products (the “Production Plant”). This Production Plant is adjacent to the flour plant of 江蘇南順食品有限公司 (Jiangsu Lam Soon Food Company Limited*), a wholly-owned subsidiary of the Company and is expected to be operational in FY2020/21.

REASONS AND BENEFITS IN RELATION TO THE ENTERING INTO THE PROJECT INVESTMENT AGREEMENT

As part of its ongoing effort to transform from an ingredient supplier into a solution provider, the Group has enlarged its product portfolio in previous years with the inclusion of specialty fats. The specialty fats business is synergistic and leverages on the Group’s existing sales and distribution infrastructure as well as strengthens its engagement with its customer base. The Production Plant will primarily concentrate on producing premium specialty fats products to complement the Group’s existing premium oil and flour business.

GENERAL

This announcement is made by the Company on a voluntary basis and the entering into the Project Investment Agreement does not constitute a notifiable transaction or a connected transaction under Chapter 14 or Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

** for identification purpose only*

This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1= HK\$1.13, being the exchange rate prevailing on 27 June 2019. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

By Order of the Board
CHENG Man Ying
Company Secretary

Hong Kong, 27 June 2019

As at the date of this announcement, the Board of the Company comprises:

Chairman:

Mr. KWEK Leng Hai

Group Managing Director:

Mr. Joseph LEUNG

Non-Executive Directors:

Mr. TANG Hong Cheong

Dr. WHANG Sun Tze

Mr. TAN Lim Heng

Independent Non-Executive Directors:

Mr. LO Kai Yiu, Anthony

Mr. AU Chee Ming

Mr. HUANG Lester Garson, SBS, JP