

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.



DACHAN FOOD (ASIA) LIMITED

大成食品(亞洲)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3999)

DISCLOSEABLE TRANSACTION DISPOSAL OF ASSETS OF A SUBSIDIARY

The Board is pleased to announce that on 1 April 2016, Vendor A, an indirect wholly owned subsidiary of the Company and Vendor B, the branch office of the Vendor A, entered into the SPA with the Purchaser, pursuant to which the Purchaser has agreed to acquire the Assets which are held under the name of Vendor B at the consideration of RMB45,000,000 (approximately equivalent to HK\$54,000,000).

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

Date: 1 April 2016 (after trading hours)

Parties:	Vendor A	Great Wall Agri (Yingkou) Co. Ltd.* (大成農牧(營口)有限公司)
	Vendor B	Panjin Branch of Great Wall Agri (Yingkou) Co. Ltd.* (大成農牧(營口)有限公司盤錦分公司), the branch office of Vendor A
	Purchaser	Wa Fang Dian Yi Hua Poultry Limited* (瓦房店億華禽業有限公司)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are independent of the Company and connected persons of the Company.

The Assets and Its Value

The Assets to be disposed of by the Vendors comprise the immovable property, equipment and metalware spare parts, the detailed scope of which are set out in the SPA.

The total book value of the Assets shown in the unaudited account of the Vendor B as at 31 December 2015 is approximately RMB40,168,583 (approximately equivalent to HK\$48,202,300).

Consideration and Payment Terms

Pursuant to the SPA, the Purchaser shall pay the consideration for the acquisition of the Assets totalling RMB45,000,000 (approximately HK\$54,000,000) in the following 4 instalments:

- (i) RMB10,000,000 (approximately equivalent to HK\$12,000,000) shall be payable by the Purchaser within 3 days after the execution of the SPA;
- (ii) RMB20,000,000 (approximately equivalent to HK\$24,000,000) shall be payable by the Purchaser within 3 days after Vendor B and the Purchaser take inventory of the Assets and the Purchaser affixes its seal or the Purchaser's authorised representative(s) signs on the Confirmation;
- (iii) RMB5,000,000 (approximately equivalent to HK\$6,000,000) shall be payable by the Purchaser within 3 days after the completion of registration in relation to the change of the ownership of the Assets as required by the law; and
- (iv) RMB10,000,000 (approximately equivalent to HK\$12,000,000) shall be payable by the Purchaser within 30 days after the completion of registration in relation to the change of the ownership of the Registrable Assets as required by the law.

Basis of Determining the Consideration

The consideration for the Assets was determined after arm's length negotiations between the Vendors and the Purchaser, with reference to the book value of the Assets as mentioned above and the expected expenses incurred in relation to the Disposal.

Delivery of the Assets

Confirmation

Within 10 days after the execution of the SPA, the Vendor B and the Purchaser shall conduct on-site stocktaking of the Assets and confirm the Assets on list of assets by the Purchaser signing on a confirmation (i.e. the Confirmation). However, if any of the Assets is not functioning properly, Vendor B shall be responsible for rectifying the problems within the period as the Parties may agree and in such event, Vendor B and the Purchaser shall take stock of the Assets listed on the Confirmation again and sign on the Confirmation after the rectification.

Changing the Registered Owner of the Assets

Within 10 days after receiving the second instalment as mentioned above, Vendor B shall proceed to apply for the registration in respect of change of ownership of such Assets the registration of which is required pursuant to the laws of PRC and the Purchaser shall provide Vendor B with relevant documentations and co-operate in all relevant procedures to accomplish the registration.

Delivery of the Assets

Within 5 days after receiving all the consideration for the Assets under the SPA, Vendor B shall complete the delivery of all Assets to the Purchaser.

GAIN FROM THE DISPOSAL AND USE OF PROCEEDS

Based on the difference between the consideration for the Assets and the book value of the Assets as mentioned above, the Group is expected to realise a gain of approximately RMB4,831,417 (approximately equivalent to HK\$5,797,700) (before taxation) as a result of the Disposal.

The proceeds from the Disposal will be used as general working capital of the Group for its future business development.

GENERAL INFORMATION ON THE GROUP AND THE PURCHASER

The Group is a leading fully integrated animal protein provider whose products range from feeds, poultry and advanced nutritional formulas for aquatic animals to processed foods. For more information on the Group, please visit its official website at www.dfa3999.com (information appears in the website does not form part of this announcement).

The Purchaser is a company registered and established in accordance with the laws of PRC and principally engaged in purchase of fresh broilers, sale of feeds, production of feeds (livestock), purchase of food and broiler farming.

REASONS FOR AND BENEFIT OF ENTERING INTO THE SPA

The Disposal enables the Group to optimise the allocation of its resources and promote its main businesses development. The Directors (including the independent non-executive Directors) are of the view that the provisions of the SPA are fair and reasonable and the Disposal is in the interests of the Company and its shareholders as a whole.

LISTING RULE IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires the following expressions have the following meanings:

“Assets”	the Assets held under the name of Vendor B and to be disposed of pursuant and subject to the terms and conditions of the SPA
“Board”	the board of Directors
“Confirmation”	the confirmation listing out the assets to be acquired by the Purchaser under the terms of the SPA
“Company”	DaChan Food (Asia) Limited (大成食品(亞洲)有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3999)
“Directors”	the director(s) of the Company (including executive Directors, non-executive Directors and independent non-executive Directors)
“Disposal”	the disposal of the Assets pursuant and subject to the terms and conditions of the SPA
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The People’s Republic of China and for the purpose of this announcement excludes Hong Kong, Macau Special Administration Region and Taiwan
“Parties”	the parties to the SPA including the Vendors and the Purchaser
“Purchaser”	Wa Fang Dian Yi Hua Poultry Limited* (瓦房店億華禽業有限公司), a company registered and established in accordance with the laws of PRC
“RMB”	Renminbi, the lawful currency of PRC
“SPA”	the Agreement for Implementing the Acquisition of Assets* (資產收購實施協議) dated 1 April 2016 and entered into among Vendor A, Vendor B and the Purchaser

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Vendor A and Vendor B
“Vendor A”	Great Wall Agri (Yingkou) Co. Ltd.* (大成農牧(營口)有限公司), a company registered and established in accordance with the laws of PRC and an indirect wholly-owned subsidiary of the Company
“Vendor B”	Panjin Branch of Great Wall Agri (Yingkou) Co. Ltd.* (大成農牧(營口)有限公司盤錦分公司), the branch office of Vendor A registered and established in accordance with the laws of PRC

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB 1.00 =HK\$1.20 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

*The English transliteration of the Chinese name(s) in this announcement (if any), where indicated with *, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*

On behalf of the Board
Han Jia-Hwan
Chairman

Hong Kong, 1 April 2016

As at the date of this announcement, the Board comprises Mr. Han Jia-Hwan (Chairman) and Mr. Han Chia-Yin as executive Directors, Mr. Han Chia-Yau, Mr. Harn Jia-Chen, Mr. Nicholas William Rosa and Mr. Chao Tien-Shin as non-executive Directors and Mr. Way Yung-Do, Mr. Chen Chih and Mr. Wei Anning as independent non-executive Directors.