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**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)**

**CONNECTED TRANSACTION-SUPPLEMENTAL ANNOUNCEMENT**

**ACQUISITION OF ADDITIONAL EQUITY INTERESTS IN  
YANZHOU DACHAN FOOD CO., LTD.**

Reference is made to the announcement of the Company dated 12 February 2010 in relation to the entering into by Tianjin Dachan and the Vendor of the Share Transfer Agreement, pursuant to which Tianjin Dachan agreed to acquire from the Vendor an additional 19% equity interests (or such other percentage of equity interest in the JV Company to be agreed between Tianjin DaChan and the Vendor on or before 20 March 2010) in the JV Company for a consideration of RMB5,000,000 (equivalent to approximately HK\$5,682,000).

The Board would like to announce that after further negotiation between Tianjin Dachan and the Vendor, the parties have entered into a supplemental transfer agreement (“Supplemental Transfer Agreement”) on 23 April 2010, pursuant to which the percentage of equity interest in the JV Company to be transferred from the Vendor to Tianjin DaChan is now fixed at 19% and the consideration therefor is fixed at RMB7,790,000 (equivalent to approximately HK\$8,852,000).

Reference is made to the announcement of the Company dated 12 February 2010 (the “Announcement”) in relation to the entering into by Tianjin Dachan and the Vendor of the Share Transfer Agreement, pursuant to which Tianjin Dachan agreed to acquire from the Vendor an additional 19% equity interests (or such other percentage of equity interest in the JV Company to be agreed between Tianjin DaChan and the Vendor on or before 20 March 2010) in the JV Company for a consideration of RMB5,000,000 (equivalent to approximately HK\$5,682,000).

Terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board would like to announce that after further negotiation between Tianjin Dachan and the Vendor, the parties have entered into a supplemental transfer agreement (“Supplemental Transfer Agreement”) on 23 April 2010, pursuant to which the percentage of equity interest in the JV Company to be transferred from the Vendor to Tianjin DaChan is now fixed at 19% and the consideration therefor is fixed at RMB7,790,000 (equivalent to approximately HK\$8,852,000).

The consideration of RMB7,790,000 (equivalent to approximately HK\$8,852,000) was determined with reference to the net book value of the JV Company of RMB 42,119,000 (the value attributable to the Acquisition is accordingly amounted to RMB8,003,000 (equivalent to approximately HK\$9,094,000)) as at 28 February 2010. As a sum of RMB5,000,000 (equivalent to approximately HK\$5,682,000) has already been paid by Tianjin Dachan to the Vendor under the Share Transfer Agreement, only the balance in the sum of RMB2,790,000 (equivalent to approximately HK\$3,170,000) is required to be paid under the Supplemental Transfer Agreement and is to be paid within 3 days of the date of the Supplemental Transfer Agreement. Such sum will be payable from internal resources of the Group.

Given the consideration represents a discount of 2.66% to the net book value of the JV Company as at 28 February 2010, the Directors, including the independent non-executive Directors, are of the view that the Acquisition contemplated under the Share Transfer Agreement and the terms of the Acquisition as revised under the Supplemental Transfer Agreement, are on normal commercial terms, are fair and reasonable and in the interests of the Shareholders as a whole.

Notwithstanding the adjustment of the consideration, the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition still remain within the range of exceeding 0.1% but below 2.5%, therefore pursuant to Rule 14A.32 of the Listing Rules the Acquisition (as revised under the Supplemental Transfer Agreement) is still only subject to the reporting and announcement requirements and is exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK\$1.00 = RMB\$0.88 has been used, where applicable, for 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.

By order of the Board  
**Han Jia-Hwan**  
Chairman

Hong Kong, 23 April 2010

*As at the date of this announcement, Mr. Han Jia-Hwan (Chairman), Mr. Chen Fu-Shih and Mr. Shu Edward Cho-Shen are the executive Directors, Mr. Chao Tien-Shin, Mr. Han Chia-Yau, Mr. Harn Jia-Chen and Mr. Nicholas William Rosa are the non-executive Directors, and Dr. Chen Chih, Mr. Liu Fuchun and Mr. Way Yung-Do are the independent non-executive Directors.*