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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)

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF EQUITY INTERESTS IN CERTAIN SUBSIDIARIES

THE DISPOSAL

The Board announces that on 26 August 2021 (after trading hours of the Stock Exchange), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Target Equity Interests for a consideration of RMB370.0 million (equivalent to approximately HK\$444.0 million).

Upon Completion, the Company will cease to hold any interests in the Target Group and the Target Companies will cease to be indirect subsidiaries of the Company.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 25% and all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Purchaser is directly wholly-owned by GWE, the ultimate controlling shareholder of the Company, which is beneficially interested in approximately 52.04% of the issued share capital of the Company. As such, the Purchaser is a connected person of the Company, and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Han Chia-Yin, Mr. Han Chia-Yau, Mr. Harn Jia-Chen, Mr. Chao Tien-Shin and Mr. Ting Yu-Shan are common directors of the Company and GWE and were required under the articles of association of the Company to abstain, and did abstain, from voting on the Board resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Disposal Agreement and the transactions contemplated thereunder which required them to abstain from voting on the Board resolution(s) to approve the same.

GENERAL

The EGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, to approve the Disposal Agreement and the transactions contemplated thereunder by way of poll.

As at the date of this announcement, GWE and its associates, including Waverley Star Limited and Asia Nutrition Technologies Corporation, together holds approximately 52.04% of the total issued share capital of the Company. GWE, being the sole shareholder of the Purchaser, is considered to have a material interest in the Disposal. Therefore, GWE and its associates, including Waverley Star Limited and Asia Nutrition Technologies Corporation, are required to abstain from voting on the resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder at the EGM pursuant to the Listing Rules.

Save for GWE and its associates, and to the best knowledge of the Directors, no other Shareholder has a material interest in the Disposal Agreement and the transactions contemplated thereunder and therefore, no other Shareholder is required to abstain from voting at the EGM for the relevant resolution(s).

The Independent Board Committee has been established which will advise the Independent Shareholders on the Disposal Agreement and the transactions contemplated thereunder after taking into account the recommendation of the Independent Financial Adviser. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Disposal; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 16 September 2021.

Shareholders and potential investors should note that the Disposal is subject to the fulfilment of the conditions precedent set out in the Disposal Agreement and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board announces that on 26 August 2021 (after trading hours of the Stock Exchange), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Target Equity Interests for a consideration of RMB370.0 million (equivalent to approximately HK\$444.0 million).

Upon Completion, the Company will cease to hold any interests in the Target Group and the Target Companies will cease to be indirect subsidiaries of the Company.

THE DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are as follows:

Date: 26 August 2021 (after trading hours of the Stock Exchange)

Parties: (i) The Vendor: NAC
(ii) The Purchaser: GWIH

Subject matter

Pursuant to the Disposal Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Target Equity Interests. The Target Equity Interests represent (i) approximately 65.51% of the total issued shares of ANTIC-VN; and (ii) 100% of the total issued shares of MSV held by the Vendor, and all relevant interests attached thereto.

Consideration

The consideration for the Disposal is RMB370.0 million (equivalent to approximately HK\$444.0 million), which shall be paid by the Purchaser to the Vendor in the following manner:

- (i) RMB37.0 million (equivalent to approximately HK\$44.4 million) being 10% of the total consideration, shall be paid to the Vendor as a deposit within five Business Days after the execution of the Disposal Agreement; and
- (ii) the remaining balance of RMB333.0 million (equivalent to approximately HK\$399.6 million) being 90% of the total consideration, shall be paid to the Vendor on the Completion Date.

Conditions precedent

Completion is subject to the following conditions precedent having been satisfied:

1. the Company having obtained the Independent Shareholders' approval at the EGM in relation to the Disposal Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
2. the Purchaser and its parent company having obtained approval from Taiwan's government authorities (if required) in relation to the Disposal Agreement and the transactions contemplated thereunder.

If the aforesaid conditions precedent are not satisfied on or before 31 December 2021 (or such other date as the parties to the Disposal Agreement may agree in writing), the Disposal Agreement shall terminate automatically and none of the parties to the Disposal Agreement shall have any liability thereunder. In such event that the Disposal Agreement is terminated, the Vendor shall refund the deposit and any part of the consideration paid by the Purchaser (without any interest) to the Purchaser.

Completion

Completion shall take place on the Completion Date.

Upon Completion, the Company will cease to hold any interests in the Target Group and the Target Companies will cease to be indirect subsidiaries of the Company. As a result, the financial results, assets and liabilities of the Target Group will no longer be consolidated into the financial statements of the Group.

BASIS OF DETERMINATION OF THE CONSIDERATION

The consideration for the Disposal was determined after arm's length negotiations between the parties to the Disposal Agreement on normal commercial terms and making reference to the valuation of the Target Equity Interests as at 30 June 2021 as contained in the valuation report prepared by the independent valuer.

Based on the above, the Directors (excluding the independent non-executive Directors, whose views will be provided after taking into consideration the advice of the Independent Financial Adviser and set out in the circular to be despatched by the Company) are of the view that the consideration for the Disposal and the terms and conditions of the Disposal Agreement are on normal commercial terms and are fair and reasonable to the Company and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP AND THE VENDOR

The Group principally operates its business through three segments. The livestock feed segment manufactures and distributes complete feed, base mix feed and premix feed for swine, layer, broiler, duck, and breeder poultry under the brands of “Dr. Nupak”, “DaChan” and “Green Knight”. The processed food segment processes meat (mainly chicken meat) into further processed or instant food (half-cooked/fully cooked) products for production and distribution. The meat product segment carries on business of broiler farming, hatching of broiler breeder eggs, contract farming, processing and trading of chilled and frozen chicken meat under the brands of “DaChan” and “Sisters’ Kitchen”.

The Vendor is an investment holding company incorporated in the Cayman Islands with limited liability and is directly wholly-owned by the Company.

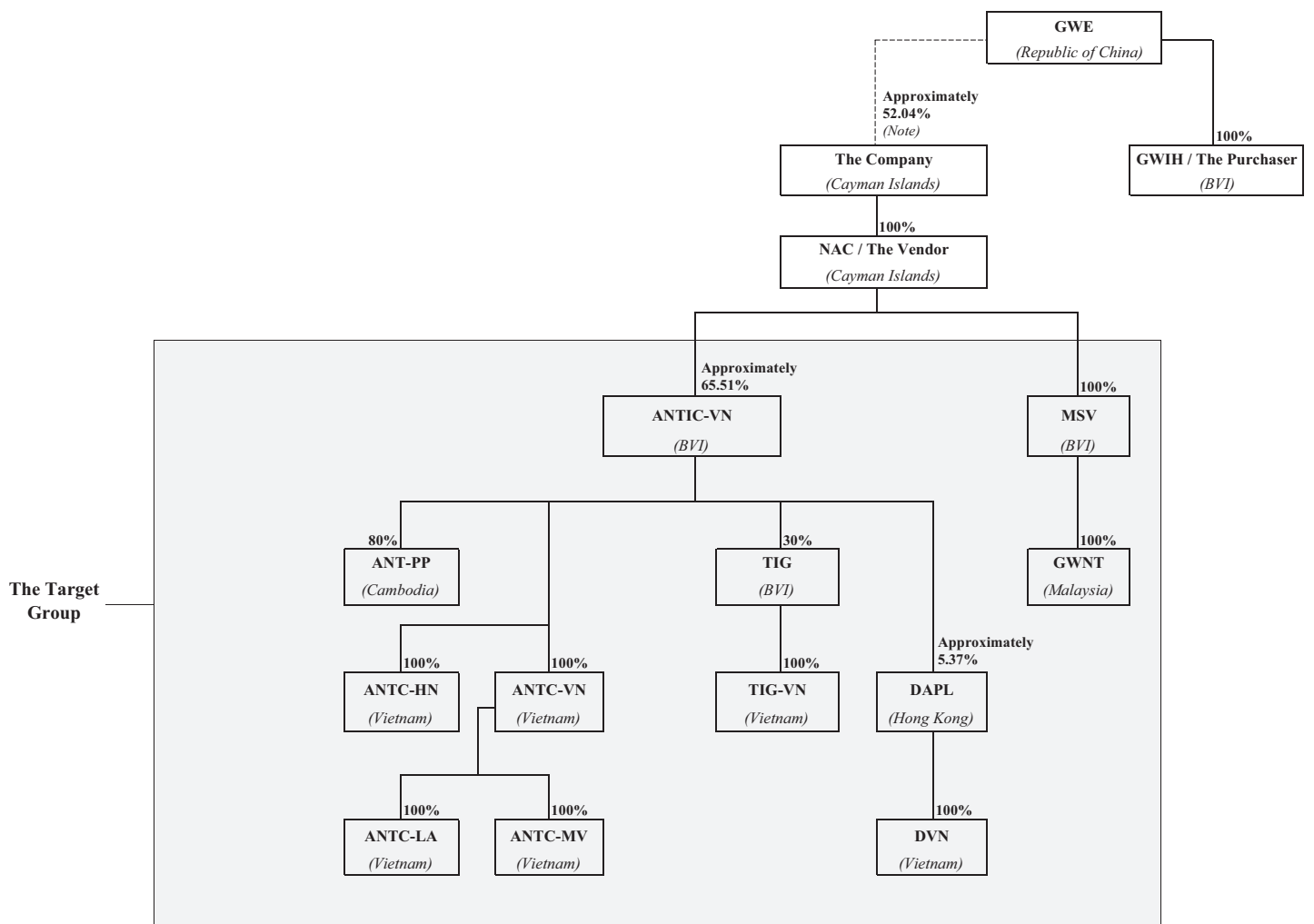
INFORMATION OF THE PURCHASER

The Purchaser is an investment holding company incorporated in the BVI with limited liability and is directly wholly-owned by GWE, the ultimate controlling shareholder of the Company, and hence a connected person of the Company.

GWE, the ultimate controlling shareholder of the Company, is a joint stock company established under the laws of the Republic of China, whose shares are listed on the Taiwan Stock Exchange Corporation (Stock Code: 1210.TW). GWE and its subsidiaries are principally engaged in production and processing of soybean products, feeds and chicken meat.

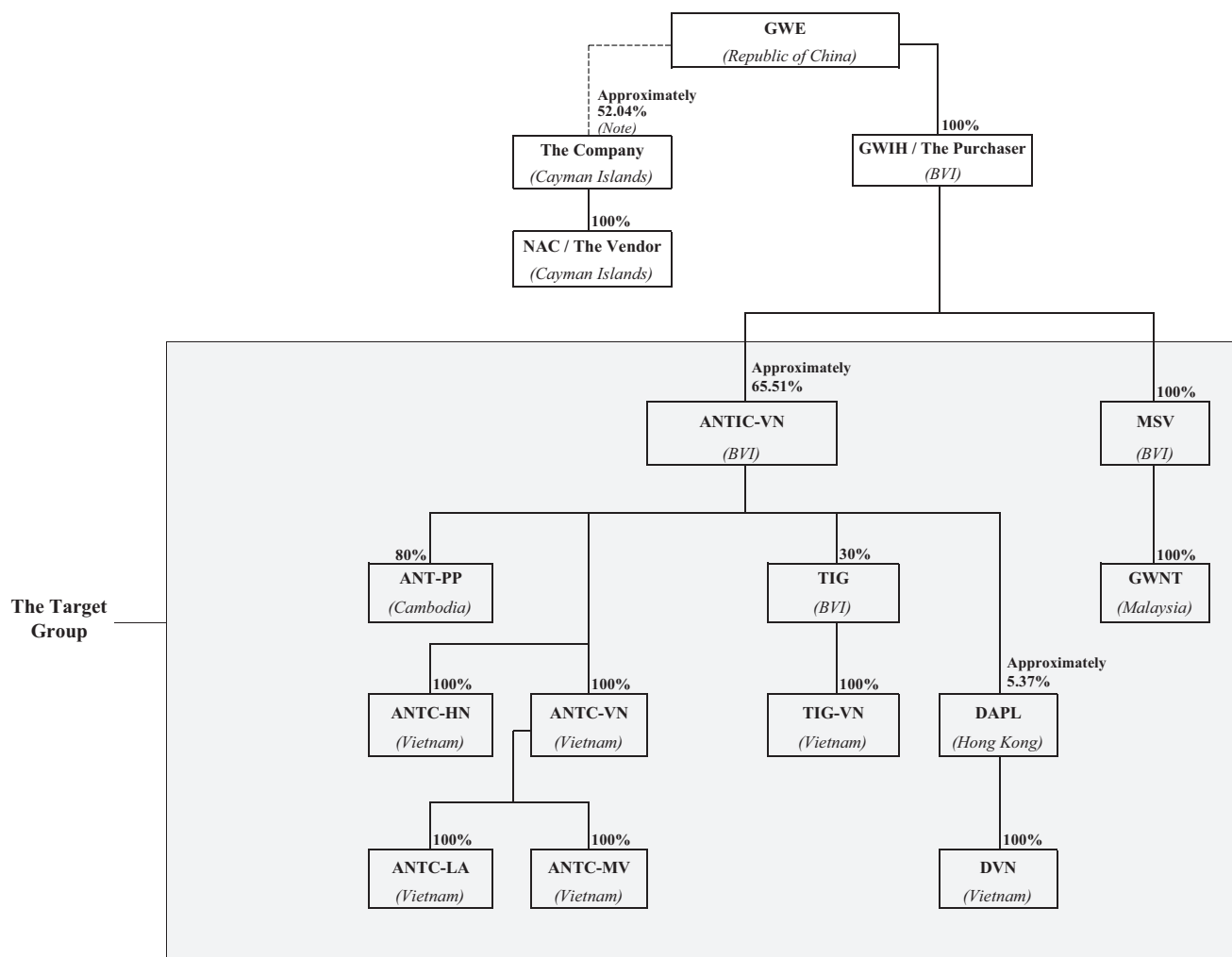
SIMPLIFIED GROUP STRUCTURE BEFORE AND AFTER THE DISPOSAL

Before the Disposal:



Note: GWE indirectly holds approximately 52.04% of the issued share capital of the Company.

After the Disposal:



Note: GWE indirectly holds approximately 52.04% of the issued share capital of the Company.

INFORMATION OF THE TARGET GROUP

(i) ANTIC-VN

ANTIC-VN is an indirect non-wholly-owned subsidiary of the Company and an investment holding company incorporated in the BVI with limited liability. The Company owns approximately 65.51% of the total issued shares of ANTIC-VN through NAC, being its direct wholly-owned subsidiary, and the remaining issued shares of ANTIC-VN are held by minority shareholders. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the minority shareholders of ANTIC-VN are Independent Third Parties, apart from being shareholders of ANTIC-VN.

ANTIC-VN mainly operates the feed-related businesses of the Group in Vietnam and Cambodia through its subsidiaries and the companies in which it holds interest. The below table sets out the relevant information of ANTIC-VN's subsidiaries and companies in which ANTIC-VN holds interest:

Table 1 – ANTIC-VN's subsidiaries and companies in which ANTIC-VN holds interest

| Company name | Place of establishment | Interest of ANTIC-VN (direct or indirect) | Principal activities |
|---------------------|-------------------------------|--|---|
| ANT-PP | Cambodia | 80% | Mainly produces and sells feeds, and operates feed plants located in Cambodia |
| ANTC-HN | Vietnam | 100% | Mainly produces and sells feeds, and operates feed plants located in Hai Duong province, Vietnam |
| ANTC-VN | Vietnam | 100% | Mainly produces and sells feeds, and operates feed plants located in Dong Nai and Binh Duong provinces, Vietnam |
| ANTC-MV | Vietnam | 100% | Mainly produces and sells feeds, and operates feed plants located in Binh Dinh province, Vietnam |
| ANTC-LA | Vietnam | 100% | Mainly produces and sells feeds, and operates feed plants located in Long An province, Vietnam |
| TIG | BVI | 30% | Investment holding |
| TIG-VN | Vietnam | 30% | Swine breed |
| DAPL | Hong Kong | Approximately 5.37% | Investment holding |
| DVN | Vietnam | Approximately 5.37% | Raw materials procurement, production and packaging bags |

Set out below are the summary of the unaudited consolidated financial performance of ANTIC-VN and its subsidiaries for the years ended 31 December 2019 and 2020 and the six months ended 30 June 2021 respectively:

| | For the year ended 31 December | | For the six months ended 30 June |
|------------------------|---|----------------|---|
| | 2019 | 2020 | 2021 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) | (unaudited) |
| Revenue | 2,729,863 | 3,091,402 | 1,810,850 |
| Profit before taxation | 143,305 | 162,870 | 33,992 |
| Profit after taxation | 118,011 | 137,149 | 26,265 |

As at 30 June 2021, the unaudited consolidated net asset value and total asset value of ANTIC-VN and its subsidiaries was approximately RMB450.0 million (equivalent to approximately HK\$540.0 million) and approximately RMB1,303.7 million (equivalent to approximately HK\$1,564.4 million) respectively.

(ii) MSV

MSV is an indirect wholly-owned subsidiary of the Company and an investment holding company incorporated in the BVI with limited liability. The Company owns the entire issued shares of MSV through NAC, being its direct wholly-owned subsidiary.

MSV mainly operates the feed-related businesses of the Group in Malaysia through GWNT, being its direct wholly-owned subsidiary. The below table sets out the relevant information of MSV's subsidiary:

Table 2 – MSV's subsidiary

| Company name | Place of establishment | Interest of MSV | Principal activities |
|---------------------|-------------------------------|------------------------|---|
| GWNT | Malaysia | 100% | Mainly produces and sells feeds, and operates feed plants located in Malaysia |

Set out below are the summary of the unaudited consolidated financial performance of MSV and its subsidiaries for the years ended 31 December 2019 and 2020 and the six months ended 30 June 2021 respectively:

| | For the year ended 31 December 2019 | 2020 | For the six months ended 30 June 2021 |
|------------------------|--|----------------|--|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | (unaudited) | (unaudited) | (unaudited) |
| Revenue | 65,573 | 61,408 | 27,642 |
| Profit before taxation | 3,850 | 4,598 | 1,803 |
| Profit after taxation | 2,597 | 3,177 | 1,368 |

As at 30 June 2021, the unaudited consolidated net asset value and total asset value of MSV and its subsidiaries was approximately RMB37.4 million (equivalent to approximately HK\$44.9 million) and approximately RMB43.5 million (equivalent to approximately HK\$52.2 million) respectively.

As at 30 June 2021, the unaudited consolidated net asset value and total asset value of the Target Group was approximately RMB487.4 million (equivalent to approximately HK\$584.9 million) and approximately RMB1,344.9 million (equivalent to approximately HK\$1,613.9 million) respectively.

THE FINANCIAL IMPACTS OF THE DISPOSAL

The Company expects to record a gain on the Disposal of approximately RMB41.0 million (equivalent to approximately HK\$49.2 million) if the Vendor receives the consideration in full, which is based on the difference between the consideration of RMB370.0 million (equivalent to approximately HK\$444.0 million) and (i) the unaudited net carrying value of the Target Equity Interests as at 30 June 2021; and (ii) the estimated transaction costs to be incurred from the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company.

Upon Completion, the Company will cease to hold any interests in the Target Group and the Target Companies will cease to be indirect subsidiaries of the Company. As a result, the financial results, assets and liabilities of the Target Group will no longer be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE USE OF PROCEEDS

The Company conducts strategic reviews of its business from time to time with a view to maximising the Shareholders' returns and keeping in line with the strategic direction of the Group's business development. As disclosed in the annual report of the Company for the year ended 31 December 2020 ("AR2020"), as affected by the African swine fever, the recovery of live pig production capacity in Vietnam was relatively slow. In the year ended 31 December 2020, the sales volume of pig feeds in Southeast Asia's feeds segment decreased by approximately 16.1% year-on-year, and the proportion of pig feeds in total sales volume of feeds of the Group in Southeast Asia also decreased from approximately 33.7% in the last year to approximately 27.1%. In light of the above, the Group actively adjusted its sales strategy and increased the marketing of poultry feeds and aquatic feeds in the segment. Driven by sales volume of poultry feeds and aquatic feeds, the total sales volume of external feeds of the Group in Southeast Asia managed to increase by approximately 6.9% year-on-year. As a result, the revenue generated from the Southeast Asia's feeds segment for the year ended 31 December 2020 was approximately RMB3,130.5 million, representing a moderate increase of approximately RMB358.2 million or 12.9% from approximately RMB2,772.3 million for the year ended 31 December 2019. Nevertheless, as disclosed in the interim report of the Company for the six months ended 30 June 2021 (the "2021 Interim Report"), despite the increase in revenue generated from Southeast Asia's feeds segment, the gross profit generated from the segment decreased by approximately 27.5% for the six months ended 30 June 2021 as compared to that of the same period last year. As at the date of this announcement, the adverse impact of the outbreak of COVID-19 continues to affect Southeast Asia negatively. It is expected that the movement control in Vietnam and Malaysia, which would be imposed by relevant government from time to time depending on the COVID-19 situation, would disrupt the supply chain of various industries in the foreseeable future and it is expected that the business operation of the Target Group might be affected amid the pandemic.

On the other hand, as disclosed in the AR2020, the revenue generated by the Group from the PRC's feeds business was approximately RMB2,498.4 million in the year ended 31 December 2020, representing a rapid year-on-year growth of approximately 55.5% as compared to approximately RMB1,606.8 million in the year ended 31 December 2019. Despite the outbreak of the COVID-19, livestock farming industry in the PRC was still growing strong. As at the end of 2020, the total output value of the PRC's feeds industry was approximately RMB946.33 billion, representing a year-on-year increase of approximately 17%. In addition, as disclosed in the 2021 Interim Report, the revenue and gross profit generated from the PRC's feeds segment increased by approximately 37.9% and 18.1% respectively for the six months ended 30 June 2021 as compared to that of the same period last year.

As disclosed in the AR2020, in order to strengthen the Group's leading position in the production and sales of the domestic chicken meat processing food product and to satisfy the production capacity needs of the food segment's development in medium and long-term, while achieving the long-term plan for the coordinated development of raw and cooked food in East China region and enhancing the core competitiveness of the one-stop supply chain, the Group plans to build a new food processing plant with a monthly production capacity of 4,000 tons in Bengbu City, Anhui Province, as well as a broiler electrical slaughter factory and a feeds processing plant (the "Project"). The investment of the Project is expected to be approximately RMB1 billion, and the first phase is expected to be completed and put into operation by the end of 2022.

In view of (i) the slowdown of the growth of the Target Group and the uncertainty of business environment and prospects of the Target Group due to COVID-19 pandemic; (ii) the significant growth of the Group's feeds business and processed food business in the PRC in recent years; and (iii) the promising prospects of the feeds industry in the PRC as mentioned above, by disposing of the Group's feeds business in Southeast Asia currently operated through the Target Group, the Company will focus its resources on the development of the Group's feeds, chicken meat and processed food businesses in the PRC and intends to use the net proceeds from the Disposal to support the Group's expansion of its feeds, chicken meat and processed food businesses in the PRC by investing in the Project.

Based on the above, the Directors (excluding the independent non-executive Directors, whose views will be provided after taking into consideration the advice of the Independent Financial Adviser and set out in the circular to be despatched by the Company) consider that the entering into of the Disposal Agreement is fair and reasonable to the Company and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 25% and all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Purchaser is directly wholly-owned by GWE, the ultimate controlling shareholder of the Company, which is beneficially interested in approximately 52.04% of the issued share capital of the Company. As such, the Purchaser is a connected person of the Company, and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Han Chia-Yin, Mr. Han Chia-Yau, Mr. Harn Jia-Chen, Mr. Chao Tien-Shin and Mr. Ting Yu-Shan are common directors of the Company and GWE and were required under the articles of association of the Company to abstain, and did abstain, from voting on the Board resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Disposal Agreement and the transactions contemplated thereunder which required them to abstain from voting on the Board resolution(s) to approve the same.

GENERAL

The EGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, to approve the Disposal Agreement and the transactions contemplated thereunder by way of poll.

As at the date of this announcement, GWE and its associates, including Waverley Star Limited and Asia Nutrition Technologies Corporation, together holds approximately 52.04% of the total issued share capital of the Company. GWE, being the sole shareholder of the Purchaser, is considered to have a material interest in the Disposal. Therefore, GWE and its associates, including Waverley Star Limited and Asia Nutrition Technologies Corporation, are required to abstain from voting on the resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder at the EGM pursuant to the Listing Rules.

Save for GWE and its associates, and to the best knowledge of the Directors, no other Shareholder has a material interest in the Disposal Agreement and the transactions contemplated thereunder and therefore, no other Shareholder is required to abstain from voting at the EGM for the relevant resolution(s).

The Independent Board Committee has been established which will advise the Independent Shareholders on the Disposal Agreement and the transactions contemplated thereunder after taking into account the recommendation of the Independent Financial Adviser. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Disposal; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 16 September 2021.

Shareholders and potential investors should note that the Disposal is subject to the fulfilment of the conditions precedent set out in the Disposal Agreement and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

| | |
|-------------------|---|
| “ANT-PP” | Ant Feed Co., Ltd., a company established in Cambodia with limited liability; |
| “ANTC-HN” | Asia Nutrition Technologies (HN) Co., Limited, a company established in Vietnam with limited liability, and its branch offices; |
| “ANTC-LA” | Asia Nutrition Technologies (LA) Co., Limited, a company established in Vietnam with limited liability, and its branch offices; |
| “ANTC-MV” | Asia Nutrition Technologies (MV) Co., Limited, a company established in Vietnam with limited liability, and its branch offices; |
| “ANTC-VN” | Asia Nutrition Technologies (VN) Co., Limited, a company established in Vietnam with limited liability, and its branch offices; |
| “ANTIC-VN” | Asia Nutrition Technologies (VN) Investment Co., Ltd., a company established in the BVI with limited liability and an indirect non-wholly-owned subsidiary of the Company; |
| “associates” | has the meaning ascribed to it under the Listing Rules; |
| “Board” | the board of Directors; |
| “Business Day(s)” | any normal business day of licensed banks in Hong Kong, excluding a Saturday, Sunday, public holidays and days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 09:00 and 17:00 on weekdays; |
| “BVI” | the British Virgin Islands; |
| “Cambodia” | the Kingdom of Cambodia; |
| “Company” | DaChan Food (Asia) Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 3999.HK); |
| “Completion” | completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement; |

| | |
|------------------------------|---|
| “Completion Date” | the thirtieth (30th) Business Day (or an earlier date as may be agreed by the Seller and the Purchaser) after the fulfillment of the conditions precedent to Completion; |
| “connected person(s)” | has the meanings ascribed to it under the Listing Rules; |
| “controlling shareholder(s)” | has the meanings ascribed to it under the Listing Rules; |
| “COVID-19” | Novel Coronavirus (COVID-19) or Novel Coronavirus Pneumonia, a respiratory illness caused by a new strain of coronavirus and characterised especially by fever, cough, and shortness of breath and may progress to pneumonia and respiratory failure; |
| “DAPL” | DaChan (Asia-Pacific) Limited (大成(亞太)有限公司), a company established in Hong Kong with limited liability; |
| “Director(s)” | the director(s) of the Company; |
| “Disposal” | the disposal of the Target Equity Interests pursuant to the Disposal Agreement; |
| “Disposal Agreement” | the equity interest transfer agreement dated 26 August 2021 entered into between the Vendor and the Purchaser in respect of the Disposal; |
| “DVN” | DaChan (VN) Co., Ltd., a company established in Vietnam with limited liability; |
| “EGM” | the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder; |
| “Group” | the Company and its subsidiaries from time to time; |
| “GWE” | Great Wall Enterprise Co. Ltd., a joint stock company established under the laws of the Republic of China, whose shares are listed on the Taiwan Stock Exchange Corporation (Stock Code: 1210.TW), and the ultimate controlling shareholder of the Company; |
| “GWIH” or “Purchaser” | Great Wall International (Holdings) Ltd., a company established in the BVI with limited liability and a direct wholly-owned subsidiary of GWE; |
| “GWNT” | Great Wall Nutrition Technologies Sdn. Bhd., a company established in Malaysia with limited liability; |

| | |
|---------------------------------|--|
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Independent Board Committee” | the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Way Yung-Do, Mr. Chen Chih, Mr. Ting Yu-Shan and Mr. Hsia, Li-Yan, established to advise the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder; |
| “Independent Financial Adviser” | Emperor Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Disposal Agreement and the transactions contemplated thereunder; |
| “Independent Shareholder(s)” | Shareholder(s) other than those who are required by the Listing Rules to abstain from voting on the resolution(s) approving the Disposal Agreement and the transactions contemplated thereunder; |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and are not connected persons of the Company; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time; |
| “MSV” | Marksville Corporation, a company established in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company; |
| “NAC” or “Vendor” | Great Wall Northeast Asia Corporation, a company registered and established under the laws of the Cayman Islands with limited liability, and a direct wholly-owned subsidiary of the Company; |
| “PRC” | the People’s Republic of China excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Shareholder(s)” | holder(s) of share(s) of the Company; |

| | |
|---------------------------|--|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Target Companies” | ANTIC-VN and MSV; |
| “Target Equity Interests” | (i) approximately 65.51% of the total issued shares of ANTIC-VN; and (ii) 100% of the total issued shares of MSV held by the Vendor, and all relevant interests attached thereto; |
| “Target Group” | the Target Companies and their subsidiaries and the companies in which they hold interests, the details of which are set out in the section headed “Information of the Target Group” in this announcement; |
| “TIG” | Taiwan International Gene Co., Ltd. (台灣國際基因有限公司), a company established in the BVI with limited liability; |
| “TIG-VN” | TIG Vietnam Company Limited, a company established in Vietnam with limited liability; and |
| “%” | per cent. |

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 =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.

By order of the Board
DaChan Food (Asia) Limited
James Chun-Hsien Wei
Chairman

Hong Kong, 26 August 2021

As at the date of this announcement, Mr. James Chun-Hsien Wei (Chairman) and Mr. Han Chia-Yin are the executive directors of the Company, Mr. Han Chia-Yau, Mr. Harn Jia-Chen, Mr. Han Jia-Hwan, Mr. Chao Tien-Shin and Mr. Wei Anning are the non-executive directors of the Company, and Mr. Way Yung-Do, Mr. Chen Chih, Mr. Ting Yu-Shan and Mr. Hsia, Li-Yan are the independent non-executive directors of the Company.