THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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
AND
NOTICE OF EGM

Financial adviser to the Company

Lego Corporate Finance Limited
力高企業融資有限公司

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

英皇融資有限公司
Emperor Capital Limited

A letter from the Board is set out on pages 7 to 23 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 24 to 25 of this circular. A letter from Emperor Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 48 of this circular.

A notice convening the hybrid EGM of DaChan Food (Asia) Limited to be held on 15 October 2021, Friday at 2:00 p.m. with a combination of (a) a physical meeting at Imperial Room IV Mezzanine Floor – Towers Wing Royal Pacific Hotel 33 Canton Road, China Hong Kong City, Tsim Sha Tsui, Hong Kong; and (b) a virtual meeting online is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed on the form and return it to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of the EGM should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Taking into account the ongoing development of the novel coronavirus (COVID-19) pandemic, the Company will implement the following prevention and control measures at the EGM to safeguard the health and safety of the Shareholders, staff and other stakeholders attending the EGM:

1. Compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue.
2. Every Shareholder or proxy is required to wear surgical mask throughout the meeting.
3. Every Shareholder or proxy is required to complete a health declaration form before entering the venue.
4. No entry to the venue is allowed for any person who has shown any symptom of COVID-19 pandemic or is subject to quarantine order by the Government of the Hong Kong Special Administrative Region (the "**Hong Kong Government**").
5. Appropriate distancing and spacing in compliance with the guidances from the Hong Kong Government will be observed and as such, the Company reserves the right to limit the number of the attendees at the EGM as may be necessary to avoid over-crowding.
6. No refreshments will be served and no souvenirs will be distributed.

Shareholders, particularly those who are subject to quarantine in relation to COVID-19 pandemic, are reminded that they may appoint any person or the chairman of the EGM as a proxy to attend and vote at the EGM, instead of attending and voting in person.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the EGM arrangements when at appropriate. Shareholders should check the Company's website and/or the Stock Exchange's website for future announcements and updates on the EGM arrangements.

* *References to time and dates in this circular are to Hong Kong time and dates.*

24 September 2021

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In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

"Announcement"	the announcement of the Company dated 26 August 2021 relating to the Disposal;
"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;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"associated corporation"	has the meaning ascribed to it under the Part XV of the SFO;
"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 Vendor 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 characterized 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 hybrid extraordinary general meeting of the Company to be convened and held on 15 October 2021, Friday at 2:00 p.m. with a combination of (a) a physical meeting at Imperial Room IV Mezzanine Floor – Towers Wing Royal Pacific Hotel 33 Canton Road, China Hong Kong City, Tsim Sha Tsui, Hong Kong; and (b) a virtual meeting online for the Independent Shareholders to consider and, if thought fit, among the others, approve the Disposal Agreement and the transactions contemplated thereunder;
"Equity Valuation Report"	the valuation report on the Target Equity Interests as at 30 June 2021 prepared by the Valuer, the text of which is set out in Appendix I to this circular;
"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;
"Latest Practicable Date"	20 September 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
"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 circular;
"Property Valuation Report"	the valuation report on the property interests of the Target Group as at 30 June 2021 prepared by the Valuer, the text of which is set out in Appendix II to this circular;
"RMB"	Renminbi, the lawful currency of the PRC;

"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
"Share(s)"	ordinary share(s) with a nominal value of HK$0.1 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of Share(s) of the Company;
"sq.m."	square metre(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"substantial shareholder(s)"	has the meanings ascribed to it under the Listing Rules;
"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 the letter from the Board contained in this circular;
"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;
"Valuer"	Ravia Global Appraisal Advisory Limited, the independent valuer engaged by the Company for the valuation of, among other things, the Target Equity Interests and the property interests of the Target Group;
"VND"	Vietnamese Dong, the lawful currency of Vietnam; and
"%"	per cent.

For the purpose of this circular, 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.

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)

Executive Directors:
Mr. James Chun-Hsien Wei *(Chairman)*
Mr. Han Chia-Yin

Non-executive Directors:
Mr. Han Chia-Yau
Mr. Harn Jia-Chen
Mr. Han Jia-Hwan
Mr. Chao Tien-Shin
Mr. Wei Anning

Independent Non-executive Directors:
Mr. Way Yung-Do
Mr. Chen Chih
Mr. Ting Yu-Shan
Mr. Hsia, Li-Yan

Registered Office:
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Principal Place of Business in Hong Kong:
Suite 1806, Tower 1
The Gateway
25 Canton Road
Tsimshatsui, Kowloon
Hong Kong

24 September 2021

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
DISPOSAL OF EQUITY INTERESTS IN CERTAIN SUBSIDIARIES
AND
NOTICE OF EGM**

INTRODUCTION

Reference is made to the Announcement in relation to the Disposal. As disclosed in the Announcement, 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 purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Disposal Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the Disposal Agreement and the transactions contemplated thereunder; (iv) an equity valuation report from the Valuer; (v) a property valuation report from the Valuer; (vi) other information required to be disclosed under the Listing Rules; and (vii) the notice of the EGM.

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; and

(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 of RMB318 million as contained in the Equity Valuation Report. In particular, the Valuer has made adjustments to the net assets value of the Target Group for (i) fair values of the properties and other property, plant and equipment of the Target Group according to the Property Valuation Report; (ii) the elimination of the intragroup balances between the Target Companies; and (iii) the respective effect to the net asset value of the Target Companies in accordance to the effective shareholding of the Target Equity Interest. For more details in relation to the adjustments, please refer to the Equity Valuation Report as set out in Appendix I (page I-11) to this circular. The consideration for the Disposal represents a premium of approximately 16.4% over the valuation of the Target Equity Interests as at 30 June 2021.

The Board understands that the asset-based approach was used for the valuation of the Target Equity Interests. The Valuer has considered all commonly adopted valuation approaches in the market (namely market approach, income approach and cost approach) for the purpose of determining the valuation of the Target Equity Interests. The principal business of the Target Group is manufacturing and trading of animal feeds in Vietnam, Malaysia and Cambodia. The market approach was not appropriate in the valuation as there were no suitable comparable companies based on the selection criteria of listed comparable companies with sufficient public information, and with over 50% revenue generated from manufacturing and trading of animal feeds in Vietnam, Malaysia and Cambodia. The income approach was not appropriate in the valuation as the management was not able to provide a reliable financial projection of the business of the Target Group due to the uncertainty of the future business development of the Target Group. As such, the asset-based approach under the cost approach was considered to be the most appropriate valuation approach in the valuation. For details of the valuation methodology and valuation assumptions adopted by the Valuer in preparing the Equity Valuation Report, please refer to the sections headed "8. Valuation Methodology" and "10. Major Assumptions" of the Equity Valuation Report as set out in Appendix I to this circular.

Having discussed with the Valuer the basis and rationale for different valuation methods and approaches and having considered the analysis of the Valuer in relation to the applicability of each method and approach and assumptions as explained above, the Board concurred with the Valuer's analysis and adoption of the asset-based approach as the appropriate valuation methodology and considered that the valuation had fairly and reasonably reflected the fair value of the Target Equity Interests.

As at 30 June 2021, inventories, cash and bank balances, and property, plant and equipment (including right-of-use assets) accounted for approximately RMB358.9 million, RMB332.2 million and RMB322.3 million, respectively, representing approximately 26.7%, 24.7% and 24.0% of total assets of the Target Group, respectively, while borrowings, other payables and accruals, and trade and bills payable accounted for approximately RMB389.1 million, RMB204.1 million and RMB153.2 million, respectively, representing approximately 45.4%, 23.8% and 17.9% of total liabilities of the Target Group, respectively. According to the Property Valuation Report as set out in Appendix II to this circular, the valuation of the property interests of the Target Group as at 30 June 2021 was RMB152 million.

Based on the above and having considered that (i) the qualifications and experience of the Valuer in relation to the preparation of the Equity Valuation Report and the Property Valuation Report; (ii) the scope of work of the valuation of the Target Equity Interests and the property interests of the Target Group; (iii) the asset-based approach adopted was an appropriate valuation methodology and the valuation had fairly and reasonably reflected the fair value of the Target Equity Interests; (iv) the assumptions made by the Valuer for the valuation are in line with industry practices; and (v) the consideration for the Disposal represents a premium over the valuation of the Target Equity Interests as at 30 June 2021, the Directors (including the independent non-executive Directors) 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.

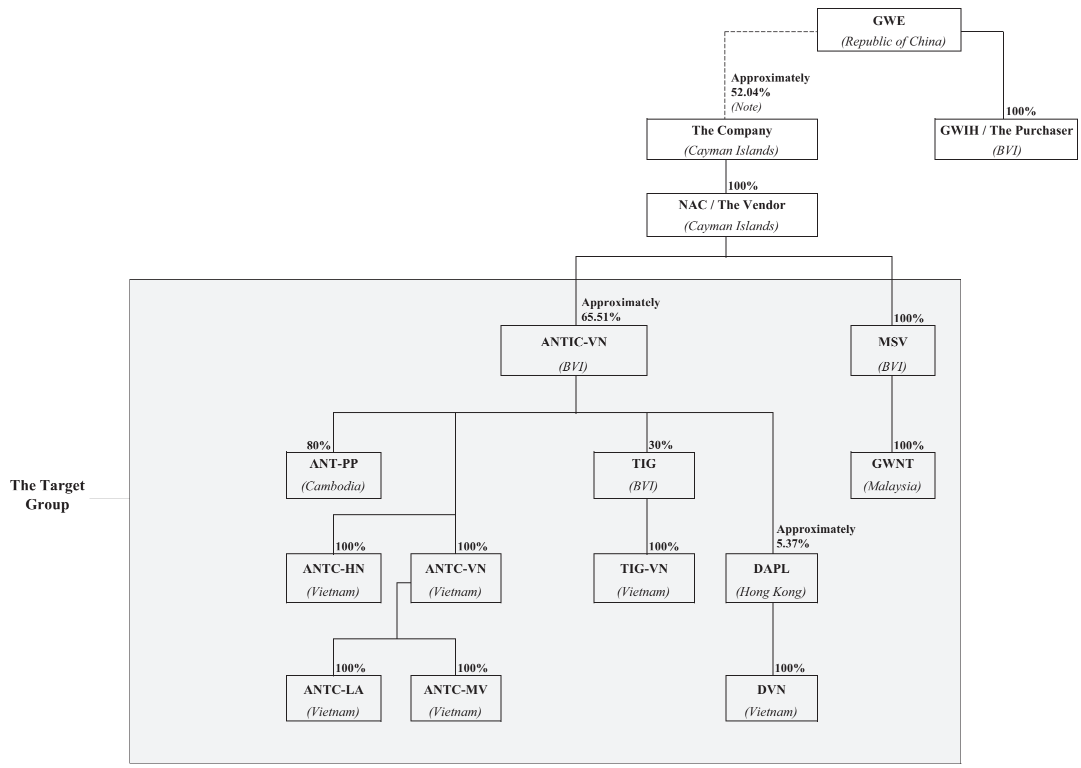
INFORMATION OF THE PURCHASER

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.

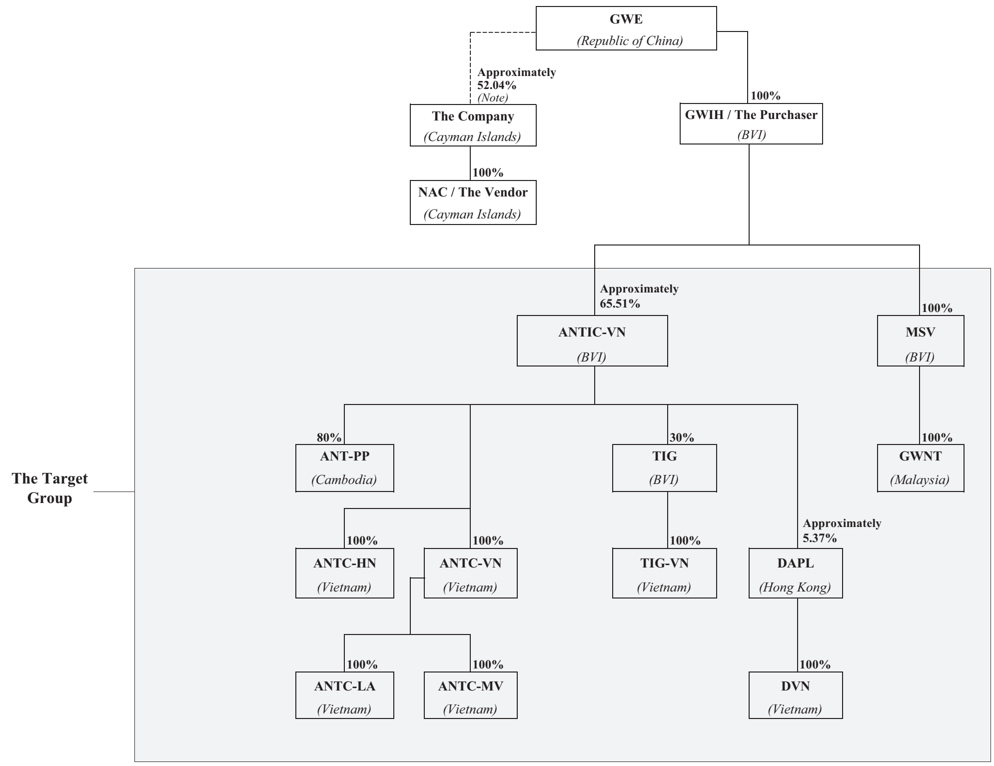
SIMPLIFIED GROUP STRUCTURE BEFORE AND AFTER THE DISPOSAL

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**
	RMB'000	*RMB'000*	*RMB'000*
	(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		For the six months ended 30 June
	2019	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*
	(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 total asset value of the Target Group as at 30 June 2021 of approximately RMB1,344.9 million represented the sum of the total asset value of ANTIC-VN and its subsidiaries of approximately RMB1,303.7 million and the total asset value of MSV and its subsidiaries of approximately RMB43.5 million, offset the amounts due from ANTIC-VN and its subsidiaries by MSV and its subsidiaries of approximately RMB2.3 million.

THE FINANCIAL IMPACTS OF THE DISPOSAL

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.

The financial impacts of the Disposal on the earnings and net asset value of the Group are set out below. However, it should be noted that the analysis below is for illustrative purposes only and does not purport to represent how the financial position of the Group would be upon completion of the Disposal.

Net Profit

Upon Completion, the net profit of the Group would be reduced by the net profit attributable to the Target Group. Based on the annual report of the Company for the year ended 31 December 2020, the net profit of the Group amounted to approximately RMB303.8

million. As disclosed in the unaudited consolidated financial performance of the Target Group for the year ended 31 December 2020, the net profit of the Target Group amounted to approximately RMB140.3 million for the year ended 31 December 2020. For illustration purpose only, assuming the completion of the Disposal had taken place in the year ended 31 December 2020, the net profit of the Group for the year ended 31 December 2020 would be decreased to approximately RMB163.5 million on a proforma basis, representing a decrease of approximately 46.2%.

Earnings

The Company expects to record a gain on the Disposal of approximately RMB38.7 million (equivalent to approximately HK$46.4 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 of approximately RMB328.9 million (equivalent to approximately HK$394.7 million); and (ii) the estimated transaction costs to be incurred from the Disposal of approximately RMB2.4 million (equivalent to approximately HK$2.9 million). 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.

Net asset value

Based on the latest unaudited financial information of the Group as at 30 June 2021, the total asset, the total liability and the net assets value of the Group amounted to approximately RMB4,463.6 million, RMB2,127.6 million and RMB2,336.0 million, respectively. It is estimated that the total asset, the total liability and the net assets value of the Group will be decreased to approximately RMB3,486.3 million, RMB1,270.0 million and RMB2,216.3 million, respectively (subject to audit of the financial accounts of the Group) following the Completion.

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. However, the growth rate of gross profit for the Southeast Asia's feeds segment of the Group decreased considerably by approximately 23.7% from approximately 27.0% for the year ended 31 December 2019 to approximately 3.3% for the year ended 31 December 2020, while the gross profit margin for the Southeast Asia's feeds segment of the Group decreased from approximately 10.9% for the year ended 31 December 2019 to approximately 10.0% for the year ended 31 December 2020, which showed the gradual slow down of the growth and thus the management considers it to be in the interest of the Company and its Shareholders to shift the resources and focus of the Group from the Southeast Asia's feeds segment to the PRC's feeds segment. Moreover, 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 and the gross profit margin for the Southeast Asia's feeds segment of the Group decreased from approximately 10.6% for the six months ended 30 June 2020 to approximately 6.0% for the six months ended 30 June 2021. As at the Latest Practicable Date, 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 Project is currently planned to be developed by two phases and 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 and the second phase is expected to be completed and put into operation by the end of 2025.

In view of (i) the slowdown of the growth of the Target Group (and the Southeast Asia's feeds segment) and the uncertainty of business environment and prospects of the Target Group (and the Southeast Asia's feeds segment) 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. In particular, notwithstanding that the net profit of the Group is expected to decrease following completion of the Disposal, taking into account the reasons discussed above, the Disposal still represents a commercially sensible opportunity for the Group to realise its investment in the Southeast Asia operation at a reasonable price against the background that the adverse impact of the COVID-19 pandemic in Southeast Asia still seems far from a turnaround. Indeed, the net profit contribution of the Target Group to the Group further decreased from approximately 46.2% in the year ended 31 December 2020 to approximately 29.3% in the six months ended 30 June 2021, which the management expects the decreasing trend to continue amid the continuation of adverse impact brought about by the COVID-19 pandemic in Southeast Asia and the better performance and growth prospect of the processed food and feeds business in the PRC. Although it may not be possible to predict accurately when will the reduction of the net profit of the Group contributed by its Southeast Asia segment be covered by the PRC operation (including the investment in the Project), given the COVID-19 pandemic in the PRC is perceived to be already under control and with the much better performance of its existing PRC operation and more foreseeable prospect in the market, it is commercially reasonable and sensible for the Company to shift its resources and business focus from Southeast Asia to the PRC having considered the overall risk on business development and prospects. Further, the management is confident that it will not take too long for its business operation in the PRC, in particular with the continuously growing processed food business and the support of the Project to be completed in phases, to make up the decrease in net profit as a result of the Disposal.

Based on the above, the Directors (including the independent non-executive Directors) 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 Latest Practicable Date, 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.

EGM

The Company will hold the hybrid EGM on 15 October 2021, Friday at 2:00 p.m. with a combination of (a) a physical meeting at Imperial Room IV Mezzanine Floor – Towers Wing Royal Pacific Hotel 33 Canton Road, China Hong Kong City, Tsim Sha Tsui, Hong Kong; and (b) a virtual meeting online, at which the resolutions will be proposed for the purposes of considering and, if thought fit, among the others, approving the Disposal Agreement and the transactions contemplated thereunder by way of poll. The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular.

As at the Latest Practicable Date, GWE and its associates, including Waverley Star Limited and Asia Nutrition Technologies Corporation which held 375,899,946 and 152,924,906 Shares (representing approximately 36.99% and 15.05% of the total issued share capital of the Company) respectively, together held 528,824,852 Shares (representing 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).

A form of proxy for use at the EGM is enclosed in this circular. Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed on the form and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment of the EGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjournment of the EGM should you so desire.

CLOSURE OF REGISTER OF MEMBERS

The Hong Kong branch register of members of the Company will be closed from 11 October 2021, Monday to 15 October 2021, Friday (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to attend and vote at the EGM. No transfer of the Shares may be registered during the said period. In order to qualify to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 8 October 2021, Friday.

VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on the resolution at the EGM will be conducted by way of poll.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee to the Independent Shareholders set out on pages 24 to 25 of this circular containing its recommendation in respect of the Disposal Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 26 to 48 of this circular containing its recommendation in respect of the Disposal Agreement and the transactions contemplated thereunder; and (iii) additional information set out in the appendices to this circular.

The Independent Board Committee, having taken into account the terms of the Disposal Agreement and the advice of the Independent Financial Adviser, considers that although entering into of the Disposal Agreement is not conducted in the ordinary and usual course of business of the Group, the terms of the Disposal Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

The Board considers that although entering into of the Disposal Agreement is not conducted in the ordinary and usual course of business of the Group, the terms of the Disposal Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

HYBRID EGM

The Company will conduct a hybrid EGM using Tricor e-meeting system (the "**Tricor e-Meeting System**"), which allows Shareholders to participate the EGM online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form to the EGM via their mobile phones, tablet, or computers. The live broadcast option can also broaden the reach of the EGM to Shareholders who do not wish to attend physically due to concerns on attending large scale events under the current COVID-19 pandemic situation, or for other overseas Shareholders who are unable to attend in person.

Although Shareholders are welcome to attend the EGM physically in person if they so wish, the Company strongly recommends Shareholders to attend the EGM via the online option. The Company will also implement the prevention and control measures at the EGM to safeguard the health and safety of the Shareholders, staff and other stakeholders attending the EGM, for more details, please refer to section headed "Precautionary Measures for the EGM" on page 1 of this circular. If the venue of the EGM is closed in response to the COVID-19 pandemic outbreak, the EGM will continue to be held via the online platform.

For online voting at the EGM, Shareholders can refer to our enclosed letter and the online meeting user guide (by visiting the hyperlink or scanning the quick response code as printed therein) for details. If you have any queries on the above, please contact the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, via their hotline at (852) 2975 0928 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).

HOW TO VOTE AT THE EGM

Shareholders who wish to attend the EGM and exercise their voting rights can be achieved in one of the following ways:

(1) attend the EGM in person and vote via smartphones or designated mobile devices at the EGM venue;

(2) attend the EGM via the Tricor e-Meeting System which enables live streaming and interactive platform for question and answer and submit their voting online; or

(3) appoint chairman of the EGM or other persons as your proxy to vote on your behalf.

Your proxy's authority and instruction will be revoked if you attend and vote in person at the EGM or via the Tricor e-Meeting system.

Non-registered holders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the EGM, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

For corporate Shareholders who wish to attend the EGM and to vote online, please contact Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, via their hotline at (852) 2975 0928 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays) on or before 11 October 2021 for arrangement.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

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)

24 September 2021

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION
DISPOSAL OF EQUITY INTERESTS IN CERTAIN SUBSIDIARIES
AND
NOTICE OF EGM

INTRODUCTION

We refer to the circular of the Company dated 24 September 2021 (the "**Circular**") to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether the terms of the Disposal Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the entering into of the Disposal Agreement is in the interests of the Company and the Shareholders as a whole.

Emperor Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Disposal Agreement.

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser in the Circular which contain, among other things, their advice, recommendations to us regarding the terms of the Disposal Agreement and the principal factors and reasons taken into consideration for their advice and recommendations.

RECOMMENDATIONS

Having taken into account of the advice and recommendations of the Independent Financial Adviser, and the principal factors and reasons taken into consideration by them in arriving at their opinion, we consider that although entering into of the Disposal Agreement is not conducted in the ordinary and usual course of business of the Group, the terms of the Disposal Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee
Mr. Way Yung-Do **Mr. Chen Chih** **Mr. Ting Yu-Shan** **Mr. Hsia, Li-Yan**
Independent non-executive Directors

英皇融資有限公司
Emperor Capital Limited

24 September 2021

To the Independent Board Committee and the Independent Shareholders of DaChan Food (Asia) Limited

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF EQUITY INTERESTS IN CERTAIN SUBSIDIARIES

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular of the Company dated September 2021 (the "**Circular**"), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As stated in the announcement of the Company dated 26 August 2021 in respect of the Disposal Agreement and the transactions contemplated thereunder, on 26 August 2021 (after trading hours), 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.

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 Latest Practicable Date, 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.

The Board currently comprises two executive Directors, five non-executive Directors and four independent non-executive Directors. The Independent Board Committee, which currently comprises all the independent non-executive Directors, Mr. Way Yung-Do, Mr. Chen Chih, Mr. Ting Yu-Shan and Mr. Hsia, Li-Yan, has been established to advise the Independent Shareholders regarding the Disposal Agreement and the transactions contemplated thereunder. We have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect and such appointment has been approved by the Independent Board Committee.

Emperor Capital Limited ("**Emperor Capital**") is not connected with the Directors, chief executive or substantial shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. As at the Latest Practicable Date, we were not aware of any relationships or interest between Emperor Capital and the Company nor any other parties that could be reasonably be regarded as a hindrance to Emperor Capital's independence to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder. In the last two years, there was no engagement between the Company and Emperor Capital. Apart from normal professional fees payable to us in connection with this appointment of us as the independent financial adviser, no arrangement exists whereby Emperor Capital will receive any fees or benefits from the Company or the Directors, chief executive or substantial shareholders of the Company or any of their respective associates, and we are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are eligible to give independent advice on the Disposal Agreement and the transactions contemplated thereunder.

Our role is to provide you with our independent opinion and recommendation as to (i) whether the Disposal Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of business and on normal commercial terms; (ii) whether the terms of the Disposal Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether they are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder at the EGM.

BASIS OF OUR OPINION

We have performed relevant procedures and steps which we deemed necessary in forming our opinions to the Independent Board Committee and the Independent Shareholders. These procedures and steps include, among other things, review of relevant agreements, documents as well as information provided by the Company and verified them, to an extent, with the relevant public information, statistics and market data, industry guidelines and regulations as well as information, facts and representations provided, and the opinions expressed, by the Company and/ or the Directors and/or the management of the Group. The documents reviewed include, but are not limited to, the Disposal Agreement, the announcement of the Company dated 26 August 2021 in relation to the Disposal Agreement and the transactions contemplated thereunder, the annual report of the Company for the financial year ended 31 December 2020 (the "**2020 Annual Report**"), the interim report of the Company for the six months ended 30 June 2021 (the "**2021 Interim Report**"), the valuation (i.e. the valuation report prepared by an independent valuer (the "**Valuer**") on the valuation of the fair value of the Target Equity Interests (the "**Equity Valuation Report**") as at 30 June 2021), the valuation report (the "**Properties Valuation Report**") prepared by the Valuer on the valuation of the properties held by the Target Group (the "**Properties**") and the Circular. We have assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group, nor have we conducted any form of an in-depth investigation into the business and affairs or future prospects of the Group, the Vendor, the Target Group or their respective subsidiaries or associates (if applicable). In addition, we have not considered the taxation implication on the Group or the Shareholders as a result of the Disposal.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the Disposal and the transactions contemplated thereunder, we have considered the following principal factors and reasons.

1. Information of the Group

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".

Set out below is a summary of the audited financial information of the Group for the two years ended 31 December 2019 and 2020, and the six months ended 30 June 2021 and 2020, as extracted from the 2020 Annual Report and 2021 Interim Report, respectively.

	For the six months ended 30 June		For the year ended 31 December	
	2021	**2020**	**2020**	**2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*
Turnover				
– Sales of livestock feeds	3,291,394	2,491,614	5,628,834	4,379,082
– Sales of chicken meats	828,791	865,870	1,753,326	1,614,836
– Sales of processed food	980,076	869,801	1,896,704	2,041,288
Total turnover	**5,100,261**	**4,227,285**	**9,278,864**	**8,035,206**
Gross profit	**446,551**	**474,400**	**1,025,518**	**981,575**
Profit for the period/year	**94,420**	**135,059**	**303,830**	**205,987**

According to the 2020 Annual Report, the operating income of the Group was approximately RMB9,278.9 million, representing a year-on-year increase of approximately 15.5%. The Group's gross profit amounted to approximately RMB1,025.5 million, representing an increase of approximately RMB43.9 million or 4.5% as compared with last year, which was mainly due to, in 2019, (i) the Group converted part of the investment funds of foreign holding companies injected into domestic subsidiaries in previous years into borrowings and repatriated them in tranches to repay foreign bank loans in US dollars to reduce exchange rate risk and control interest expenses; and (ii) the Group conducted clean-up on fixed assets of domestic companies, and recorded an impairment of approximately RMB7.0 million for assets with signs of impairment while there was an impairment of approximately RMB10.2 million for assets with indications of impairment in 2020.

Set out below is a summary of the consolidated assets and liabilities of the Group as at 30 June 2021 as extracted from the 2021 Interim Report:

	As at 30 June 2021
	RMB'000
	(unaudited)
Total assets	
– non-current assets	1,828,477
– current assets	2,635,148
Total liabilities	
– non-current liabilities	516,726
– current liabilities	1,610,900
Net current assets	**1,024,248**
Net assets	**2,335,999**
Equity attributable to owners of the Company	**1,916,823**

As at 30 June 2021, the non-current assets of the Group mainly comprised of (i) property, plant and equipment of approximately RMB1,349.9 million; (ii) lease prepayments of approximately RMB203.3 million; (iii) interests in equity-accounted investees of approximately RMB80.0 million; (iv) other financial assets of approximately RMB1.9 million; (v) deferred tax assets of approximately RMB31.6 million; (vi) long-term tax recoverable of approximately RMB135.9 million; and (vii) other non-current assets of approximately RMB25.9 million. Meanwhile, the Group's current assets, which amounted to approximately RMB2,635.1 million as at 30 June 2021, mainly consisted of (i) inventories of approximately RMB945.4 million; (ii) biological assets of approximately RMB186.1 million; (iii) trade receivables of approximately RMB286.5 million; (iv) other receivables and prepayments of approximately RMB538.6 million; and (v) cash and cash equivalent of approximately RMB678.6 million.

As at 30 June 2021, the non-current liabilities of the Group were mainly comprised of (i) interest-bearing borrowings of approximately RMB387.5 million; (ii) lease liabilities of approximately RMB123.2 million; and (iii) deferred tax liabilities of approximately RMB6.1 million. Meanwhile, the Group's current liabilities, which amounted to approximately RMB1,610.9 million as at 30 June 2021, mainly consisted of (i) trade receivables of approximately RMB617.1 million; (ii) other payables of approximately RMB419.0 million; (iii) contract liabilities of approximately RMB18.7 million; (iv) interest-bearing borrowings of approximately RMB533.7 million; (v) lease liabilities of approximately RMB8.9 million; (vi) income tax payable of approximately RMB11.1 million; (vii) dividend payables of approximately RMB2.3 million.

As at 30 June 2021, the consolidated net current assets and net assets of the Group were approximately RMB1,024.2 million and RMB2,336.0 million respectively. The Group's current ratio, which was calculated by dividing its current assets with its current liabilities, was approximately 1.64 as at 30 June 2021.

2. Information of the Purchaser, the Vendor and the Target Group

2.1 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.

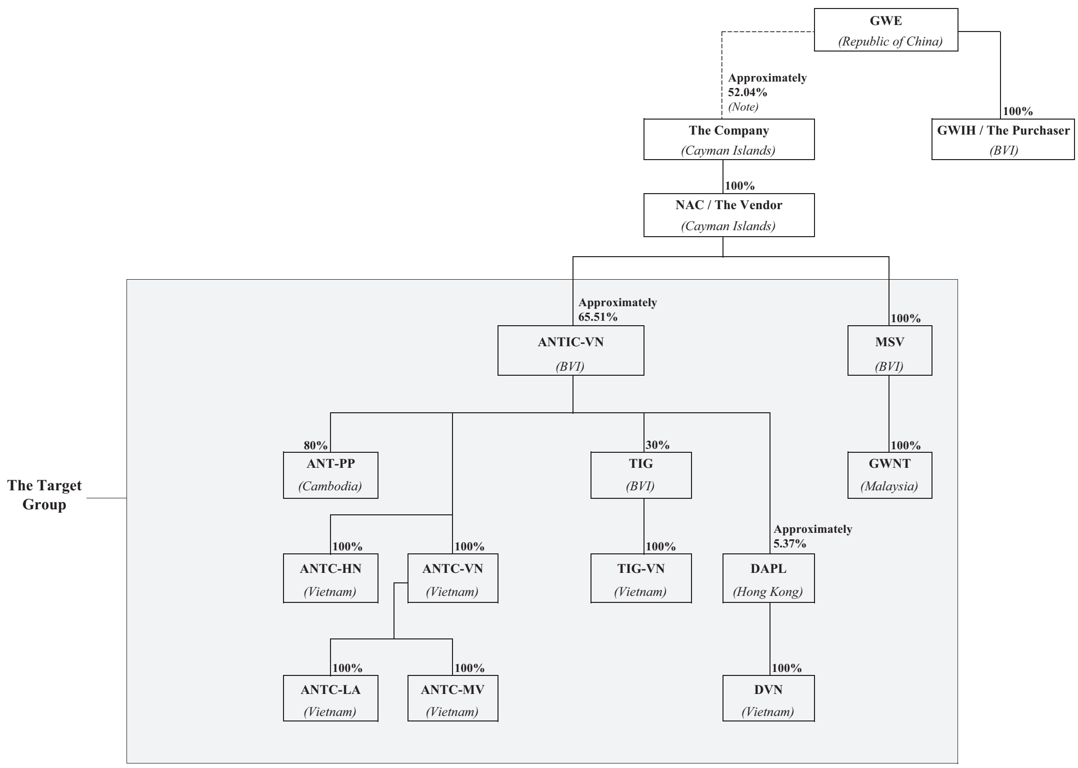
GWE, the ultimate controlling shareholder of the Company, is a joint stock company established under the laws of the Republic of China, whose shares are listed on the Taiwan Stock Exchange Corporation (Stock Code: 1210.TW). GWE and its subsidiaries are principally engaged in production and processing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

2.2 Information of the Vendor

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

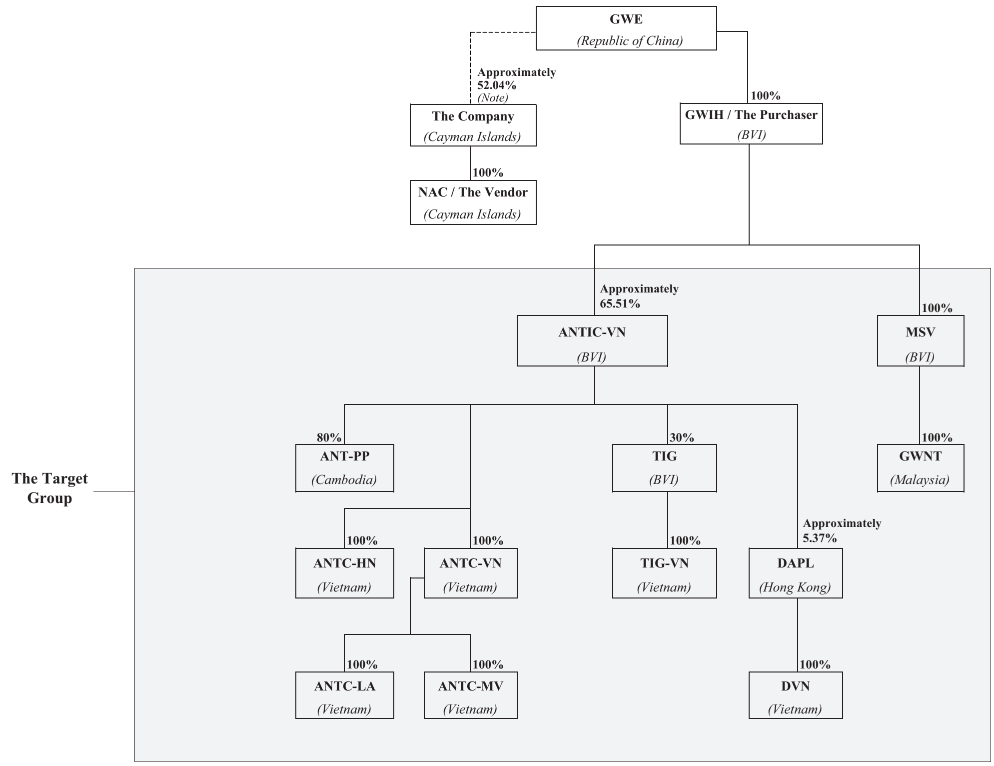
2.3 Simplified Group structure before and after the Disposal

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.

2.4 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**
	RMB'000	*RMB'000*	*RMB'000*
	(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		For the six months ended 30 June
	2019	**2020**	**2020**
	RMB'000	*RMB'000*	*RMB'000*
	(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

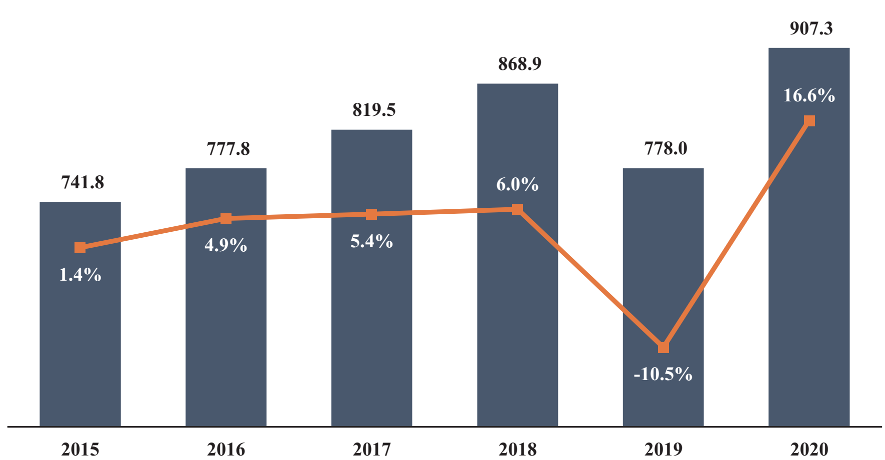
As at 30 June 2021, the unaudited consolidated net asset value and total asset value of MSV and its subsidiaries was approximately RMB37.4 million (equivalent to approximately HK$44.9 million) and approximately RMB43.5 million (equivalent to approximately HK$52.2 million) respectively.

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 total asset value of the Target Group as at 30 June 2021 of approximately RMB1,344.9 million represented the sum of the total asset value of ANTIC-VN and its subsidiaries of approximately RMB1,303.7 million and the total asset value of MSV and its subsidiaries of approximately RMB43.5 million, offset the amounts due from ANTIC-VN and its subsidiaries by MSV and its subsidiaries of approximately RMB2.3 million.

3. Reasons for and benefits of the Disposal

As set out in the Board Letter, 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 2020 Annual Report, 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 also decreased from approximately 33.7% in the same period 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 managed to increase by approximately 6.9% year-on-year. As a result, the revenue generated from the Southeast Asia's feed 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. However, the growth rate of gross profit for the Southeast Asia's feeds segment of the Group decreased considerably by approximately 23.7% from approximately 27.0% for the year ended 31 December 2019 to approximately 3.3% for the year ended 31 December 2020, while the gross profit margin for the Southeast Asia's feeds segment of the Group decreased from approximately 10.9% for the year ended 31 December 2019 to approximately 10.0% for the year ended 31 December 2020, which showed the gradual slow down of the growth and thus the management considers it to be in the interest of the Company and its Shareholders to shift the resources and focus of the Group from the Southeast Asia's feeds segment to the PRC's feeds segment. Moreover, as disclosed in 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 and the gross profit margin for the Southeast Asia's feeds segment of the Group decreased from approximately 10.6% for the six months ended 30 June 2020 to approximately 6.0% for the six months ended 30 June 2021. As at the Latest Practicable Date, 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. According to the World Health Organisation, as at 10 September 2021, Vietnam has recorded approximately 576,000 confirmed cases of COVID-19, out of which approximately 89,000 were confirmed in the last 7 days; PRC, meanwhile, recorded approximately 123,000 confirmed cases of COVID-19, out of which approximately 260 cases were confirmed in the last 7 days. Considering the development of the outbreak of the COVID-19 in the Southeast Asia, the Target Group's business would be severely interrupted due to possible deterioration of the pandemic and the subsequent lockdown measures in Southeast Asia. As compared with the relatively stabilised COVID-19 in the PRC, we agreed with the Board that the Disposal represents a good opportunity to reallocate the Group's resources and minimise the risk exposed to the outbreak of COVID-19.

Gross Income of the Feed Industry in the PRC (in RMB billion)



Source: China Feed Industry Association (http://www.chinafeed.org.cn/)

On the other hand, the China's feed market is experiencing a steady growth with a slight distortion caused from the outbreak of COVID-19. According to the China Feed Industry Association, the gross income of the PRC feed industry increased from approximately RMB741.8 billion in 2015 to approximately RMB907.3 billion, representing a compound annual growth rate of approximately 4.1%. Despite the gross income had dropped by approximately 10.5% to approximately RMB778.0 billion in 2019 possibly caused by the outbreak of COVID-19, the gross income in 2020 had recorded a moderate rebound of approximately 16.6% to approximately RMB907.3 billion. Considering the positive growth in the PRC feed industry despite the slight drop in 2019, we agreed with the Board that the feed market in the PRC is expected to growth in the near future and the impact of COVID-19 is minimal. Therefore, the Disposal enables the Group to better capture the opportunity in the PRC as compared to the uncertainty in the Southeast Asia.

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 and approximately RMB1,606.8 million in the year ended 31 December 2019, representing a rapid year-on-year growth of approximately 55.5% and higher than that of the Target Group. 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%.

As disclosed in the 2020 Annual Report, in order to strengthen the Group's leading position in the production and sales of the domestic chicken meat processing food product, 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 Project is currently planned to be developed by two phases and 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 and the second phase is expected to be completed and put into operation by the end of 2025.

In view of (i) the slowdown of the growth of the Target Group (and the Southeast Asia's feeds segment) and the uncertainty of business environment and prospects of the Target Group (and the Southeast Asia's feeds segment) 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 and the chicken meat consumption market in the PRC, by disposing of the Group's feeds business in Southeast Asia currently operated through the Target Group. In particular, notwithstanding that the net profit of the Group is expected to decrease following completion of the Disposal, taking into account the reasons discussed above, the Disposal still represents a commercially sensible opportunity for the Group to realise its investment in the Southeast Asia operation at a reasonable price against the background that the adverse impact of the COVID-19 pandemic in Southeast Asia still seems far from turnaround. Indeed, the profit contribution of the Target Group to the Group further decreased from approximately 46.2% in the year ended 31 December 2020 to approximately 29.3% in the six months ended 30 June 2021, which the management expects the decreasing trend to continue amid the continuation of adverse impact brought about by the COVID-19 pandemic in Southeast Asia and the better performance and growth prospect of the processed food and feeds business in the PRC. Although it may not be possible to predict accurately when will the reduction of the net profit of the Group contributed by its Southeast Asia segment be covered by the PRC operation (including the investment in the Project), given the COVID-19 pandemic in the PRC is perceived to be already under control and with the much better performance of its existing PRC operation and more foreseeable prospect in the market, it is commercially reasonable and sensible for the Company to shift its resources and business focus from Southeast Asia to the PRC having considered the overall risk on business development and prospects. Further, the management is confident that it will not take too long for its business operation in the PRC, in particular with the continue growing processed food business and the support of the Project to be completed in phases, to make up the decrease in net profit as a result of the Disposal. The Company takes a positive stance toward the Disposal and we agreed that the Disposal is in the interests of the Company and its Shareholders as a whole.

4. The Disposal Agreement

Set out below are the principal terms of the Disposal Agreement

4.1 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.

4.2 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.

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.

4.3 Condition 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;

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 condition precedent is 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.

4.4 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.

5. Assessment of the Consideration

To assess the fairness and reasonableness of the Consideration, we have reviewed and considered the Equity Valuation Report which states that the valuation of the fair value of the Target Equity Interest was RMB318 million as at 30 June 2021. According to the Equity Valuation Report, the fair value measures *"the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date"*.

Given that the Company had engaged the Valuer to conduct a valuation of the Properties as at 30 June 2021 because the Properties represented one of the major assets held by the Target Group as at the same date, we have also reviewed and considered the Property Valuation Report. Based on the Property Valuation Report, the market value of the Properties was RMB152 million as at 30 June 2021 (representing approximately 9.3% of the total asset value of the Target Group of approximately RMB1,344.9 million as at 30 June 2021).

We are of the view that it is reasonable to reference to the Equity Valuation Report instead of the Property Valuation Report when determining the Consideration, given that despite the Properties represented one of the major assets held by the Target Group, the Target Group also held other assets and liabilities which should be taken into account when determining the fair value, or the Consideration, of the Target Equity Interests.

We have performed the works as required under Note 1(d) to Rule 13.80 of the Listing Rules and paragraph 5.3 of the Corporate Finance Adviser Code of Conduct in respect of the Equity Valuation Report and the Property Valuation Report, which included (i) assessment of the Valuer's experiences in valuing entities similar to the Target Group; (ii) obtaining information on the Valuer's track records on other business, or property, valuations; (iii) inquiry on the Valuer's current and prior relationship with the Group and other parties to the SP Agreement; (iv) review of the terms of the Valuer's engagement, in particular its scope of work, for the assessment of the valuation of the Target Equity Interests; and (v) discussion with the Valuer regarding the bases, methodology and assumptions adopted in the Equity Valuation Report and the Property Valuation Report.

5.1 Valuer

For our due diligence purpose, we have reviewed and enquired into the qualifications and experience of the Valuer in relation to the preparation of the Equity Valuation Report. We understand that Mr. Elvis C F Ng ("**Mr. Ng**"), the director of the Valuer and the signor of the Equity Valuation Report, is a holder of Charter Financial Analyst and a certified Financial Risk Manager and has over 11 years' experience in business valuation, transaction advisory and corporate consultancy in the Asia Pacific Region. We have also obtained information on the Valuer's track records on other business valuations and noted that the Valuer had been the valuer for a wide range of companies listed on the Stock Exchange. As such, we are of the view that the Valuer and Mr. Ng are qualified, experienced and competent in performing business valuations and providing a reliable opinion in respect of the valuation of the Target Equity Interests.

As stated in the Equity Valuation Report, for the valuation of the Properties owned by the Target Group, the Valuer had been engaged to provide them with the market value of the Properties. Hence, in assessing the fairness and reasonableness of the valuation of the Properties, we have reviewed the Property Valuation Report prepared by the Valuer. For our due diligence purpose, we have reviewed and enquired into the qualifications and experience of the Valuer in relation to the preparation of the Property Valuation Report. We understand that Dr. Alan Lee ("**Dr. Lee**"), the director of the Valuer and the signors of the Property Valuation Report, have over 16 years of experience in the valuation of properties in the Asia Pacific Region. We have obtained information on the Valuer's track records on other property valuations and noted that the Valuer had been the valuer for similar properties in the Asia Pacific Region. As such, we are of the view that the Valuer and Dr. Lee are qualified, experienced and competent in performing property valuations and providing a reliable opinion in respect of the valuation of the Properties.

We have also enquired with the Valuer as to its independence from the Group and the Vendor and were given to understand that the Valuer is independent third parties of the Group and its connected persons including the Vendor. The Valuer also confirmed to us that they was not aware of any relationship or interest between themselves and the Group or any other parties that would reasonably be considered to affect their independence to act as the independent valuer for the Company. The Valuer confirmed to us that apart from normal professional fees payable to them in connection with their engagement for the valuations, no arrangements exist whereby they will receive any fee or benefit from the Group and its connected persons including the Vendor.

Furthermore, we noted from the engagement letters entered into between the Company and the Valuer that the scope of work was appropriate for the Valuer to form the opinions required to be given and there were no limitations on the scope of work which might adversely impact the degree of assurance given by the Valuer.

5.2 Valuation basis

We have reviewed the Equity Valuation Report and understand that it was prepared based on a going concern basis to valuate the fair value, which is known as *"the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date"*. During the course of our discussion with the Valuer, we have not identified any major factors which would lead us to cast doubt on the fairness and reasonableness of the valuation methodology and the principal basis and assumptions adopted in arriving at the valuation of the Target Equity Interests. Since no unusual matters had come to our attention that led us to believe that the Equity Valuation Report was not prepared on a reasonable basis, we believe that the valuation fairly represents the fair value of the Target Equity Interests and forms a fair and reasonable basis for our further assessment on the Consideration.

5.3 Valuation methodologies

We have discussed with the Valuer on the methodology adopted in valuing the fair value of the Target Equity Interests as at 30 June 2021 and noted they had considered the three generally accepted valuation approaches, namely the market approach, the income approach and the cost approach.

As stated in the Equity Valuation Report,

1. the market approach measures the value of an asset through an analysis of recent sales or offerings of comparable property. Sales and offering prices are adjusted for differences in location, time of sale, utility, and the terms and conditions of sale between the asset being appraised and the comparable assets;

2. the income approach measures the value of an asset by the present value of its future economic benefits. These benefits can include earnings, cost savings, tax deductions and proceeds from its disposition; and

3. the cost approach measures the value of an asset by the cost to reproduce or replace it with another of like utility. To the extent that the asset being valued provides less utility than a new asset, the reproduction or replacement cost would be adjusted to reflect appropriate physical deterioration, functional and economic obsolescence.

As mentioned in the Equity Valuation Report, each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing the Target Equity Interests that are similar in nature. We noted from the Equity Valuation Report that, among the abovementioned valuation approaches, the selection of the valuation approach in valuing the Target Equity Interests is based on, among other criteria, the quantity and quality of the information provided, accessibility to available data, availability of relevant market transactions, uniqueness of the business operations and nature of the industry is participating, professional judgment and technical expertise.

We noted from the discussion with the Valuer that the income approach might be suitable for this valuation. However, the income approach requires a reliable business forecast, which is a requirement very difficult to be fulfilled under the prevailing market conditions. Based on our discussion with the Valuer and the outbreak of the COVID-19 in Southeast Asia and the PRC as set out in the section headed "3. Reasons for and benefits of the Disposal", despite the Target Group has been generating stable revenue and making profits in each of the two years ended 31 December 2020 and for the six months ended 30 June 2021, we agreed that the prospect of feeds production businesses would be significantly affected by the uncertainty of the future business development. The potential deterioration of the COVID-19 in the Southeast Asia would materially disrupt the Target Group's business and hence result in a significant negative impact on the Target Group's income. Considering the Target Group's income would be highly correlative to the development of the COVID-19 in the Southeast Asia and thus unpredictable with the information available as at the date of valuation, we therefore agreed with the Valuer that it would be difficult to come up with a reliable business forecast for the adaptation of the income approach under the assumption of barring any unforeseeable circumstances. As a result, the adaptation of the income approach with the limited information would not able to reflect the fair value of the Target Equity Interest and therefore the income approach is not appropriate.

On the other hand, the market approach was an applicable valuation methodology. According to the Valuer, based on the selection criteria of listed comparable companies with sufficient public information, and with over 50% revenue from manufacturing and trading of animal feed in Vietnam, Malaysia and Cambodia, there are no suitable comparable companies which can be adopted. As such the market approach is not appropriate in the valuation of the Target Equity Interests. The asset-based approach under the cost approach, which directly reflects the values of the underlying assets of the Target Equity Interests, was therefore adopted in valuing the fair value of the Target Equity Interests.

According to the Equity Valuation Report, the adjusted net asset value method under the cost approach was considered to be the most appropriate valuation approach in this valuation. It is based on the economic principle of substitution; it essentially measures what is the net asset value as at the date of valuation and how much it would cost to replace those assets. The adjusted net asset value method is used to estimate the current fair value of the business or its assets.

According to the discussion with the Valuer, under the asset-based approach, the values of the consolidated assets and liabilities of the Target Group were assessed. Given that as at the 30 June 2021, the major assets of the Target Group were the Properties, the application of asset-based approach involves the following procedures:

1. estimate the values of the Properties;

2. assess if adjustments were needed for other assets and liabilities of the Target Group; and

3. determine if valuation adjustment was required for the valuation of the market value of the fair value of the Target Equity Interests.

Based on our interview with the Valuer, we understand that due to the specific purpose for which most of the buildings and structures of the Properties have been constructed, there are no readily identifiable market comparables. Thus, the buildings and structures have been valued on the basis of their depreciated replacement costs instead of direct comparison method. The depreciated replacement cost approach ("**DRC**") is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In practice, DRC approach may be used as a substitute for the market value of specialized property, due to the lack of market comparables available.

The Valuer has inspected the exterior and wherever possible, the interior of the Properties. During the course of inspections, the Valuer did not note any serious defects. However, no structural surveys have been made nor have any tests been carried out on any of the services provided in the Properties. The Valuer are, therefore, unable to report that the Properties are free from rot, infestation or any other structural defects.

In the course of the valuations, the Valuer has relied to a very considerable extent on the information provided by the Group and have accepted advice given to them on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, site /floor areas, identification of the Properties and other relevant information. The Valuer has not carried out detailed on-site measurements to verify the correctness of the site / floor areas in respect of the Properties but have assumed that the site / floor areas shown on the documents handed to them are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to the Valuer by the Group and are therefore only approximations.

We noted from the Property Valuation Report that the Valuer has no reason to doubt the truth and accuracy of the information provided to them by the Group and they have relied on the Company's confirmation that no material facts have been omitted from the information provided. The Valuer consider that they have been provided with sufficient information for them to reach an informed view. No allowances have been made in the valuations for any charges, mortgages or amounts owing on the properties or for any expenses or taxation, which may be incurred in effecting a sale or purchase. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We also noted from the discussion with the Valuer that, after having obtained the valuation of the Properties of RMB152 million as at 30 June 2021, the Valuer had added to such value the amount of the Target Group's other current and non-current assets and liabilities and reached the valuation of the fair value of the Target Equity Interests of RMB318 million. In particular, the Valuer has made adjustments to the net assets value of the Target Group for (i) fair values of the properties and other property, plant and equipment of the Target Group according to the Property Valuation Report; (ii) adjustments in relation to the intragroup balances between the Target Companies; and (iii) adjusted the net asset value of the Target Companies in accordance to the effective shareholding of the Target Equity Interest. For current assets, as advised by the Company, inventories, receivables are short-term and liquid which are expected to be realised within a short period of time and thus the carrying amounts of these current assets approximate their fair values. For current liabilities, as advised by the Company, the carrying amounts of borrowings and payables represent the amounts that the Target Group has to be settled and thus the carrying amounts of these current liabilities approximate their fair values. In addition, as advised by the Company, the net asset value of associate company TIG and investment company DAPL can be adopt as the fair value of TIG and DAPL respectively.

In order to assess the fairness and reasonableness of the valuation, we have reviewed the Target Group's unaudited financial accounts and discussed with the Valuer regarding the value of the Target Group's other current assets and liabilities. We observed that the current assets of the Target Group amounted to approximately RMB929.9 million as at 30 June 2021, mainly consisted of (i) inventories of approximately RMB358.9 million; (ii) other receivables of approximately RMB139.8 million; and (iii) cash and bank balances of approximately RMB332.2 million. Based on our discussion with the Company, considering (i) the inventories of the Target Group are mainly comprised of feeds which could be sold in the market within 6 months given its strong demand; (ii) the other receivables are expected to be realised within 12 months; and (iii) the cash and bank balances are ready to withdraw upon demanded, we agreed with the Valuer that the current assets of the Target Group are short-term in nature and could be realised within a short period of time. Therefore, the carrying amount of the current assets approximate their fair values. It is observed that the current liabilities of the Target Group amounted to approximately RMB755.0 million as at 30 June 2021, mostly consisted of (i) trade and bills payable of approximately RMB153.2 million; (ii) other payables and accruals of approximately RMB161.7 million; and (iii) borrowings of approximately RMB389.1 million. Based on our discussion with the Company, considering the financial position of the Target Group, we concurred with the Valuer that the current liabilities are expected to be settled within a short period of time. Hence, the carrying amount of the current liabilities approximate their fair values. For the net asset value of associate company TIG and investment company DAPL, we agreed with the Valuer that, considering the relatively low effective shareholding that the Target Group held and the relatively low net asset values as compared with that of the remaining of the Target Group, the net asset value of TIG and DAPL can be adopt as its fair value. In light of the above, taking into account the adoption of the fair values of the carrying amounts of current assets, borrowings and payables and net asset value of TIG and DAPL, the valuation of the Target Equity Interests is fair and reasonable.

5.4 Valuation adjustment

As discussed above, after the valuation of the Properties was conducted, the Valuer not only had to assess if adjustments were needed for other assets and liabilities of the Target Group, but also had to determine if valuation adjustment was required for the valuation of the fair value of the Target Equity Interests. In this regard, we had referred to the consolidated statement of financial position of the Target Group as at 30 June 2021 which were provided to us by the Company and noted that the value of the Target Group's other assets and liabilities had been properly reflected in the valuation of the fair value.

5.5 Valuation assumptions

According to the Property Valuation Report, the valuation of the Properties was made on the assumption that (i) the Properties are sold in the market in their existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the properties; (ii) no account has been taken of any option or right of pre-emption concerning or effecting sale of the properties and no forced sale situation in any manner is assumed in the valuation; and (iii) in valuing the Properties, the Valuer has relied on the advice given by the Group that the Group has valid and enforceable titles to the properties which are freely transferable, and have free and uninterrupted rights to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent / land use fees and all requisite land premium / purchase consideration payable have been fully settled. We noted from the Valuer that these assumptions are commonly adopted in the valuation of properties. Given that we consider it objective and appropriate to appraise the Properties the same way as other similar properties on an open market, and that nothing material has come to our attention, we are of the view that these valuation assumptions are fair and reasonable.

Regarding the Equity Valuation Report, we noted that Valuer has made various assumptions for the valuation of the fair value of the Target Equity Interests. We have discussed with the Valuer and reviewed the assumptions made and nothing has come to our attention which would lead us to doubt the fairness and reasonableness of the assumptions adopted in the Equity Valuation Report.

Since we are not aware of any material changes regarding the underlying assumptions and factors as at the Latest Practicable Date, we maintain our opinion that the Property Valuation Report and the Equity Valuation Report, as well as their underlying bases, methodologies and assumptions, are appropriate and that the Property Valuation Report and the Equity Valuation Report are appropriate references for determining the valuation of the market value of the Properties and the fair value of the Target Equity Interests respectively.

5.6 Section conclusion

Given that the Consideration is higher than the valuation of the fair value of the Target Equity Interests of approximately RMB318 million as at 30 June 2021 as stated in the Equity Valuation Report which represents a premium of approximately 16.4%, we consider that the Consideration is on normal commercial terms, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. Financial effects 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.

The financial impacts of the Disposal on the earnings and net asset value of the Group are set out below. However, it should be noted that the analysis below is for illustrative purposes only and does not purport to represent how the financial position of the Group would be upon completion of the Disposal.

6.1 Net Profit

Upon Completion, the net profit of the Group would be reduced by the net profit attributable to the Target Group. Based on the annual report of the Company for the year ended 31 December 2020, the net profit of the Group amounted to approximately RMB303.8 million. As disclosed in the unaudited consolidated financial performance of the Target Group for the year ended 31 December 2020, the net profit of the Target Group amounted to approximately RMB140.3 million for the year ended 31 December 2020. For illustration purpose only, assuming the completion of the Disposal had taken place in the year ended 31 December 2020, the net profit of the Group for the year ended 31 December 2020 would be decreased to approximately RMB163.5 million on a proforma basis, representing a decrease of approximately 46.2%.

6.2 Earnings

The Company expects to record a gain on the Disposal of approximately RMB38.7 million (equivalent to approximately HK$46.4 million) if the Vendor receives the consideration in full, which is based on the difference between the consideration ofRMB370.0 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 of approximately RMB328.9 million (equivalent to approximately HK$394.7 million); and (ii) the estimated transaction costs to be incurred from the Disposal of approximately RMB2.4 million (equivalent to approximately HK$2.9 million). 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.

6.3 Net asset value

Based on the latest unaudited financial information of the Group as at 30 June 2021, the total asset, the total liability and the net assets value of the Group amounted to approximately RMB4,463.6 million, RMB2,127.6 million and RMB2,336.0 million, respectively. It is estimated that the total asset, the total liability and the net assets value of the Group will be decreased to approximately RMB3,486.3 million, RMB1,270.0 million and RMB2,216.3 million, respectively (subject to audit of the financial accounts of the Group) following the Completion.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we considered that the entering into of the Disposal Agreement and the transactions contemplated thereunder would enable the Company to focus its resources on the development of the Group's feeds, chicken meat and processed food businesses in the PRC.

Although entering into the Disposal Agreement is not conducted in the ordinary and usual course of the Group, we are of the view that, the Disposal Agreement and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution(s) approving the Disposal Agreement and the transactions contemplated thereunder at the EGM. We also recommend the Independent Shareholders to vote in favour of the resolution(s) relating to the Disposal Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,
For and on behalf of
Emperor Capital Limited

Louisa Choi	**Mark Chan**
Executive Director	*Managing Director*

Ms. Louisa Choi is a licensed person and has been a responsible officer of Emperor Capital Limited registered with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO since 2004 and has over 19 years of experience in corporate finance.

Mr. Mark Chan is a licensed person and has been a responsible officer of Emperor Capital Limited registered with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO since 2018 and 2016 respectively and has over 10 years of experience in corporate finance.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Ravia Global Appraisal Advisory Limited, an independent valuer, in connection with its valuation as of 30 June 2021 on the 100% of share capital of the Target Group.

RAVIA GLOBAL
APPRAISAL
ADVISORY LIMITED

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W: www.raviagroup.com
E: general@raviagroup.com

24 September 2021

The Board of Directors
DaChan Food (Asia) Limited
Suite 1806, Tower 1, The Gateway
No. 25 Canton Road
Tsimshatsui, Kowloon
Hong Kong

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions from DaChan Food (Asia) Limited (the "Company"), Ravia Global Appraisal Advisory Limited ("Ravia" or "we") prepare valuation of a Target Group (please refer to Appendix 1) engaged in feed related business in Vietnam, Malaysia and Cambodia (the "Target Group") as of 30 June 2021 (the "Date of Valuation").

This report states the purpose of valuation, basis of valuation, scope of work, limitations in scope of work, source of information, overview of the Target Group, overview of the industry, valuation methodology, adopted approach for the valuation of the Target Group, major assumptions, limiting conditions, remarks and opinion of value.

1. PURPOSE OF VALUATION

This report is prepared solely for the use of the directors and management of the Company. In addition, Ravia acknowledges that this report may be made available to the Company for public documentation purpose and used as reference on the Company's circular dated 24 September 2021 (the "Circular").

We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown. If others choose to rely in any way on the contents of this report they do so entirely at their own risk.

2. BASIS OF VALUATION

Our valuation is based on fair value, which is known as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

3. SCOPE OF WORK

Our valuation opinion is based on the assumptions stated herein and the information provided by the management of the Company, the management of the Target Group and/or their representative(s) (collectively the "Management"). In the course of our valuation work, we have conducted the following processes to evaluate the reasonableness of the adopted basis and assumptions provided:

- Discussed with the Management in relation to the background, development, operations, financial performance and other relevant information of the Target Group;
- Reviewed relevant financial information, operational information and other relevant data concerning the Target Group;
- Reviewed and discussed with the Management on the business development concerning the Target Group provided to us by the Management;
- Performed market research in relation to the economic outlook in general and the specific economic environment and market elements affecting the business, industry and market and obtained relevant statistical figures from public sources;
- Examined relevant basis and assumptions of both the financial and operational information of the Target Group, which were provided by the Management;
- Prepared a valuation model to derive the fair value of the Target Group; and
- Presented all relevant information on the scope of work, source of information, overview of the Target Group, major assumptions, valuation methodology, sensitivity analysis, limiting conditions, remarks and opinion of value in this report.

We have no reason to believe that any material facts have been withheld from us. However, we do not warrant that our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

4. LIMITATIONS IN SCOPE OF WORK

For the purpose of our valuation, we have been provided with the information in respect of the Target Group prepared by the Management. The valuation required the consideration of all relevant factors including, but not limited to, the following:

- In performing our services, we have relied on the accuracy of information provided by the Management with regards to the financial information of the Target Group and business affairs as well as the outlook for the business. The procedures and enquiries undertaken by us in preparing this report do not include any verification work, nor do they constitute an examination made in accordance with generally accepted auditing standards. As such, we do not express an opinion or offer any forms of assurance regarding the accuracy, reasonableness, completeness or reliability of these information we are based;

- Information furnished by others, upon which all or portions of this report are based, is believed to be reliable. However, we did not independently verify these information and no warranty is given as to the accuracy of such information;

- The result of our work is dependent on the financial performance of the Target Group (see **Section 6 – Overview of the Target Group** for details). However, because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibility for the achievement of predicted results;

- Our analysis is limited to a desktop assessment on the Target Group, which relied on information provided by the Management. We are not required to perform physical inspection, site visits and verify the legal titles of the assets; and

- We have considered published market data and other public information, where appropriate, for which we are not responsible for their content and accuracy. Such information was obtained from sources such as Bloomberg and publicly available industry reports.

5. SOURCE OF INFORMATION

For the purpose of our valuation, we have been provided with the information in respect of the Target Group prepared by the Management. The valuation required the consideration of all relevant factors including, but not limited to, the following:

- Overall business descriptions, operations and development of the Target Group;

- Registrations, legal documents, permits and licenses related to the Target Group;

- The economic outlook in general and the specific economic environment and market elements affecting the Target Group, industry and market; and

- Bloomberg database, and other reliable sources of market data.

We have also conducted research from public sources to assess the reasonableness and fairness of information provided. We have assumed the accuracy of information provided and relied to a considerable extent on such information in arriving at our opinion.

6. OVERVIEW OF THE TARGET GROUP

DaChan Food (Asia) Limited is a transnational conglomerate with operations in the People's Republic of China ("PRC"), Vietnam, Malaysia and Cambodia. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock

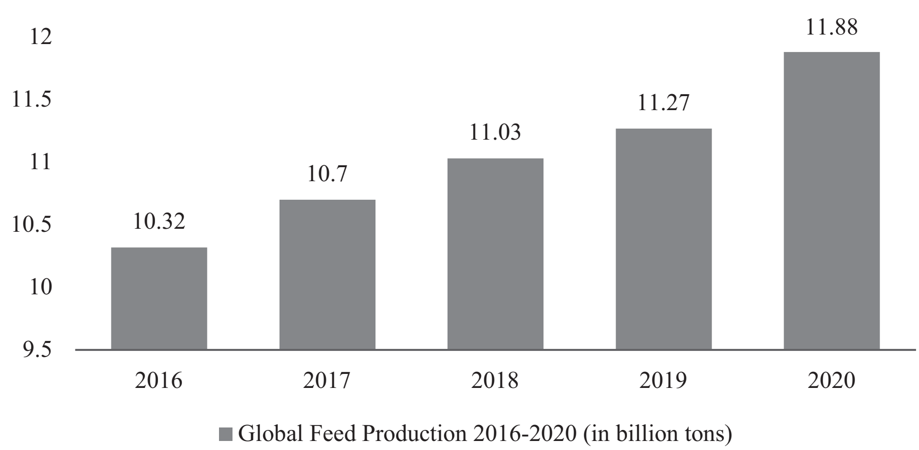
Exchange") since 2007. The Company (together with its subsidiaries and its jointly-controlled entities, the "Group") is a leading fully integrated animal protein product provider whose products range from feeds, poultry and advanced nutritional formulas for aquatic animals to processed foods.

As advised by the Management, the Target Group is engaged in manufacturing and trading of animal feed in Vietnam, Malaysia and Cambodia.

7. OVERVIEW OF THE INDUSTRY

Feed is a safe and effective feeding substance that can provide nutrients needed by animals and promote the growth, production and health of animals under rational use. According to the product variety, feed can be divided into pig feed, egg poultry feed, meat poultry feed, ruminant feed, aquatic feed, pet feed and other feed.

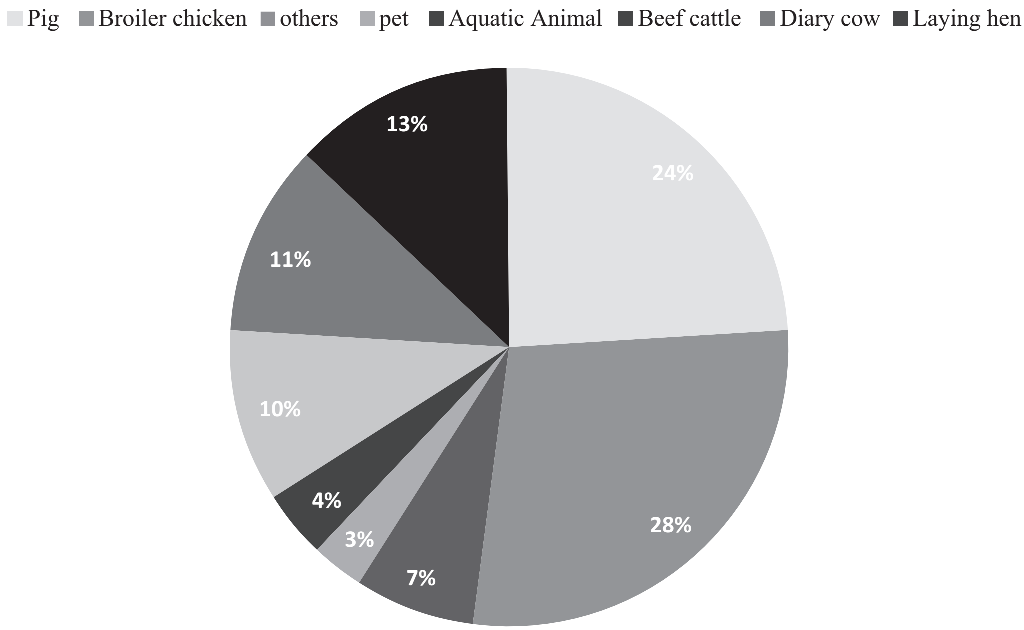
Since the industrialization of feed, the global feed production has entered a new stage, and the global feed output continues to climb. According to Alltech's global feed survey, from 2016 to 2020, global feed production increased year by year. In 2020, despite the impact of the epidemic, global feed production still increased by 1% to 1.188 billion tons.



Source: Alltech qianzhan

In terms of feed types, the world's broiler feed production reached 335 million tons in 2020, accounting for 28.2% of global feed production. The pig industry produced 286 million tons of feed, accounting for 24.1% of global feed production. The feed output of laying hens, dairy cows and beef cattle was 160 million tons, 129 million tons and 116 million tons, accounting for 13.5%, 10.8% and 9.8%, respectively.

global feed niche products in 2020



Source: Alltech qianzhan

It can be seen that the global feed varieties are mainly concentrated in poultry (chicken), pigs and cattle in three categories. Chickens account for the largest proportion of global feed. In 2020, poultry feed accounted for 40% of global feed production, followed by about 20% for pigs and cattle feed.

The Vietnam compound feed market is projected to register a CAGR of 4.6% during the forecast period (2021-2026) according to Mordor intelligence.

The effects of the COVID-19 pandemic are a combination of both supply and demand. This led to the disruption of compound feed production in the country and the supply of raw materials from other countries. Farmers need to cut down their spending due to the declining income and fear of an uncertain future.

Growing livestock share in agricultural output and accelerating disposable income of consumers are the significant factors driving the compound feed market in the country. Among all the types of animals, swine is forecast to be the fastest-growing segment over the forecast period. Vietnam's compound feed industry is dominated by international players such as the United States' Cargill, Holland's De Heus, Thailand's Charoen Pokphand Group, and others. According to the Ministry of Agriculture and Rural Development (MARD), the country has around 239.0 feed plants, out of which 61.0 belong to foreign-invested firms. The foreign investors hold more than 50.0% of the market share, and they are planning to accelerate the production of feed further to meet the rising consumer demand. Hence, all these factors are driving the compound feed market in the country.

8. VALUATION METHODOLOGY

Conventional valuation approaches include Market Approach, Income Approach, and Cost Approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing the Target Group that are similar in nature.

8.1. Market Approach

The market approach measures the value of an asset through an analysis of recent sales or offerings of comparable property. Sales and offering prices are adjusted for differences in location, time of sale, utility, and the terms and conditions of sale between the asset being appraised and the comparable assets.

8.2. Income Approach

The income approach measures the value of an asset by the present value of its future economic benefits. These benefits can include earnings, cost savings, tax deductions and proceeds from its disposition.

8.3. Cost Approach

The cost approach measures the value of an asset by the cost to reproduce or replace it with another of like utility. To the extent that the asset being valued provides less utility than a new asset, the reproduction or replacement cost would be adjusted to reflect appropriate physical deterioration, functional and economic obsolescence.

9. ADOPTED APPROACH FOR THE VALUATION OF THE TARGET GROUP

Among the abovementioned valuation approaches, the selection of the valuation approach in valuing the Target Group is based on, among other criteria, the quantity and quality of the information provided, accessibility to available data, availability of relevant market transactions, uniqueness of the business operations and nature of the industry is participating, professional judgment and technical expertise.

The business of the Target Group is manufacturing and trading of animal feed in Vietnam, Malaysia and Cambodia. Based on the selection criteria of listed comparable companies with sufficient public information, and with over 50% revenue from manufacturing and trading of animal feed in Vietnam, Malaysia and Cambodia, there are no suitable comparable companies which can be adopted. As such, the market approach is not appropriate in this valuation. And as advised by the Management, due to the uncertainty of the future business development, the Management is not able to provide a reliable financial projection of the business, the Income Approach is not suitable to be adopted. The Asset-based Approach under the Cost Approach was considered to be the most appropriate valuation approach in this valuation. It is based on the economic principle of substitution; it essentially measures what is the net asset value as at the Date of Valuation and how much it would cost to replace those assets. The adjusted net asset value method is used to estimate the current fair value of the business or its assets.

10. MAJOR ASSUMPTIONS

In conducting our valuation work, certain major assumptions have to be adopted in order to sufficiently support our opinion of value. In addition, our valuation analyses are also subject to specific representations and certain principal assumptions that Management considers necessary and appropriate for adoption in our valuation analyses (as outlined below).

- The information provided and the representations made by the Management with regard to the Target Group's financial and business affairs are accurate and reliable;

- The Target Group will continue to operate as a going concern;

- The Target Group has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits, business certificates, licenses and legal approvals to operate the business in the localities in which the Target Group operates or intends to operate would be officially obtained and renewable upon expiry with de minimis expenses;

- There will be sufficient supply of technical staff in the industry in which the Target Group operates or intends to operate, and the Target Group will retain competent management, key personnel and technical staff to support their ongoing operations and developments;

- There will be no major changes in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

- There will be no major changes in the political, legal, economic or market conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Group;

- There will be no material changes in the relevant interest rates and exchange rates that would impact the Target Group's business;

- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of the Target Group as of the Date of Valuation;

- As per the Management, the fair value of the Property, Plants and Equipment is reference to the property valuation report conducted by Ravia Global Appraisal Advisory Limited;

- As advised by the Management, inventories, receivables are short-term and liquid which are expected to be realized within a short period of time. Thus, the carrying amounts of these current assets approximate their fair values;

- As advised by the Management, the carrying amounts of borrowings and payables represent the amounts that the Target Group has to be settled. Thus, the carrying amounts of these current liabilities approximate their fair values;

- As advised by the Management, the net asset value of associate company TIG and investment company DAPL can be adopted as the fair value of TIG and DAPL respectively;

- According to the Management, there is no material amount of expected credit losses for the Accounts Receivable;

- As advised by the Management, there are no undisclosed actual or contingent assets or liabilities as of the Date of Valuation;

- As advised by the Management, there is no identifiable intangible asset as of the Date of Valuation; and

- In case actual events do not accord with one or more of the above assumptions, the resulting value of the Target Group may vary substantially from the figure as set out in this report.

11. LIMITING CONDITIONS

The valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability assumed for their accuracy.

We have relied on information provided by the Management to a considerable extent in arriving at our opinion of value. We have not verified the accuracy of the information provided and have assumed that the aforesaid information is accurate. We have not conducted any further investigations concerning whether all data have been provided to us for our assessment and we have no reason to believe that any material data have been withheld from us.

We would particularly point out that our valuation was based on the information made available to us, such as the market data, the Target Group's information are true and accurate.

Our opinion of the value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. Hence, there is no single indisputable range and generally we cannot provide absolute assurance on a valuation.

This report is for the exclusive use of the party to whom it is addressed and for the specific purpose stated in **Section 1 – Purpose of Valuation**, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear. We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown.

12. REMARKS

Unless otherwise stated, all monetary amount stated in this valuation report are in Renminbi (RMB).

13. OPINION OF VALUE

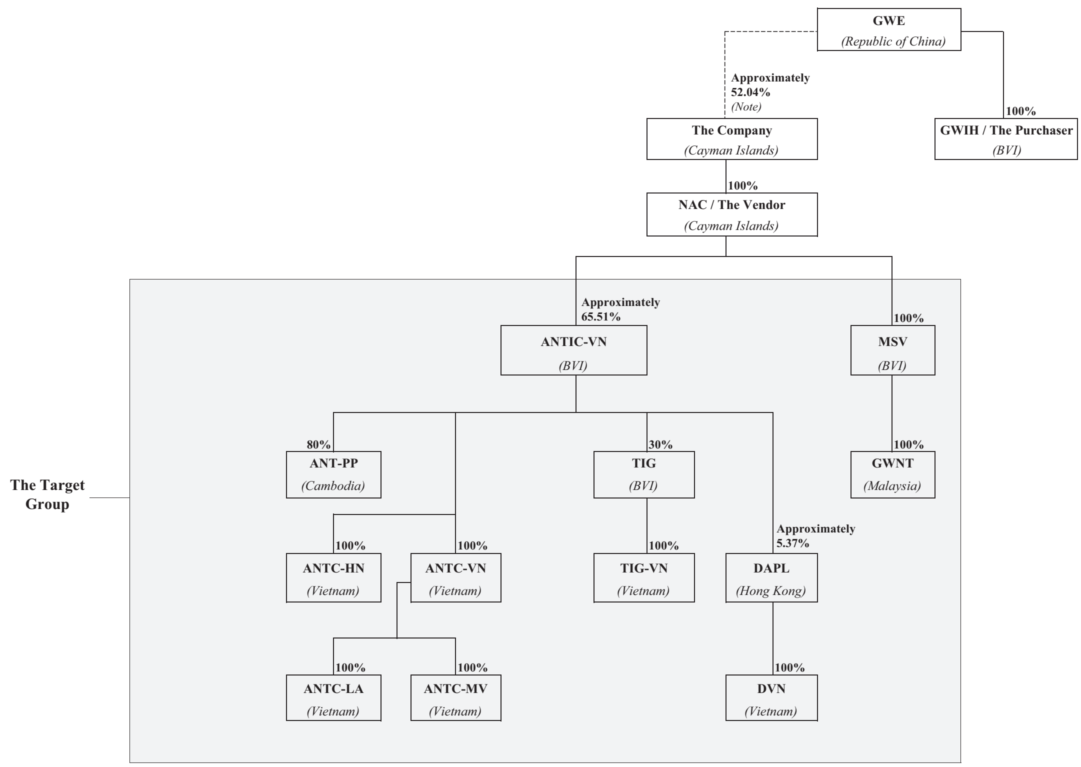
Based on the investigation and analysis stated above, our scope of work and limitations in scope of work, information available, the assumptions adopted, and the valuation method employed, the fair value of the Target Group as at 30 June 2021 (i.e. the Date of Valuation), in our opinion, was reasonably stated as RMB318,000,000 (RENMINBI THREE HUNDRED EIGHTEEN MILLION ONLY).

We hereby confirm that we have neither present nor prospective interests in the Company, the Target Group, or the value reported herein.

Yours faithfully,
For and on behalf of
Ravia Global Appraisal Advisory Limited
Elvis C F Ng
CFA, FRM
Director

Note: Mr. Elvis C F Ng is a holder of Chartered Financial Analyst and a certified Financial Risk Manager. He has over eleven years' experience in business valuation, transaction advisory and corporate consultancy in the Asia Pacific Region including Hong Kong, the PRC and Australia, as well as in European, American, Middle-east and African countries.

Appendix 1



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

Appendix 2

Reconciliation between the net asset value per the management account as at the Date of Valuation and the value of the Target Group.

Items	*Notes*	**As at 30 June 2021** *RMB'000*
Net asset value of subgroup ANTIC-VN per management account	*a*	490,300
Accounting adjustment as provided by the management mainly related to right of use assets, investment in subsidiary, amount due from group companies, other payables, amount due to group companies primarily for the purpose of elimination of intragroup balances	*b*	-72,800
Fair value adjustment of the property and other property, plant and equipment under ANTIC-VN	*c*	-16,300
Total adjusted net asset value of under ANTIC-VN	*d=a+b+c*	401,200
Effective shareholdings owned	*e*	65.51%
Fair value of subgroup ANTIC-VN	*f=d×e*	262,800
Net asset value of subgroup ANT-PP per management account	*g*	23,400
Fair value adjustment of the property and other property, plant and equipment under ANT-PP	*h*	-10,300
Total adjusted net asset value of under ANT-PP	*i=g+h*	13,100
Effective shareholdings owned (80% × 65.51%)	*j*	52.41%
Fair value of subgroup ANT-PP	*k=i×j*	6,900
Net asset value of subgroup MSV per management account	*l*	37,400
Fair value adjustment of property and other property, plant and equipment under MSV	*m*	5,200
Total adjusted net asset value of under MSV	*n=l+m*	42,600
Effective shareholdings owned	*o*	100%
Fair value of subgroup MSV	*p=n×o*	42,600
Add: value of associate TIG	*q*	4,000
Add: value of investment company DAPL	*r*	2,100
Total value of the Target Group	*s=f+k+p+q+r*	**318,400**

Note:

1) All figures were rounded to hundred thousand.

2) Subgroup ANTIC-VN, exclude subgroup ANT-PP, TIG and DAPL.

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular received from Raiva Global Appraisel Advisory Limited, an independent valuer, in connection with its valuation as at 30 June 2021 of the properties to be disposed of by the Group.

RAVIA GLOBAL APPRAISAL ADVISORY LIMITED

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Wan Chai, Hong Kong.
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W: www.raviagroup.com
E: general@raviagroup.com

24 September 2021

The Board of Directors
DaChan Food (Asia) Limited
Suite 1806, Tower 1, The Gateway
No. 25 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

Dear Sirs,

Re: Valuations of Various Properties located in Vietnam, Malaysia and Cambodia

We refer to the instructions from DaChan Food (Asia) Limited (the "**Company**") for us to value certain properties held by the Company and its subsidiaries (together referred to as the "**Group**") located in Vietnam, Malaysia and Cambodia. We confirm that we have performed inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 June 2021 (the "**Date of Valuation**") for the purpose of incorporation in the Circular of the Company dated 24 September 2021.

1. BASIS OF VALUATION

Our valuations of the properties are our opinion of the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. PROPERTY CATEGORIZATION

In the course of our valuations, the properties are categorized into the following groups:

- ➢ Group I – Properties held by the Group in Vietnam; and
- ➢ Group II – Property held by the Group in Cambodia; and
- ➢ Group III – Property held by the Group in Malaysia.

3. VALUATION METHODOLOGIES

For the properties in Group I and Group II, due to the specific purpose for which most of the buildings and structures of the property have been constructed, there are no readily identifiable market comparables. Thus, the buildings and structures have been valued on the basis of their depreciated replacement costs instead of direct comparison method. The depreciated replacement cost approach ("**DRC**") is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In practice, DRC approach may be used as a substitute for the market value of specialised property, due to the lack of market comparables available.

For the property in Group III, we have valued it by the direct comparison approach assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

4. TITLE INVESTIGATION

We have been provided with copies of extracts of title documents relating to the properties. However, we have not inspected the original documents to verify the ownership or to verify any amendments which may not appear on the copies handed to us. We have relied on the information given by the Group regarding the titles and other legal matters relating to the properties.

We have also relied on the advice given by the Group that the Group has valid and enforceable title to the properties which are freely transferable, and have free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the (i) payment of annual government rent; (ii) land use fees and all requisite land premium; and (iii) purchase consideration payable have been fully settled.

5. VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the properties are sold in the market in their existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the properties.

In addition, no account has been taken of any option or right of pre-emption concerning or effecting sale of the properties and no forced sale situation in any manner is assumed in our valuations.

In valuing the properties, we have relied on the advice given by the Group that the Group has valid and enforceable titles to the properties which are freely transferable, and have free and uninterrupted rights to use the same, for the whole of the unexpired term granted subject to the (i) payment of annual government rent; (ii) land use fees and all requisite land premium; and (iii) purchase consideration payable have been fully settled.

6. SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, floor areas, ages of building and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

Dimension, measurements and areas included in the valuation report attached are based on information provided to us and are therefore only approximations. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the documents handed to us are correct. We were also advised by the Group that no material facts have been omitted from the information provided.

7. VALUATION CONSIDERATION

Due to the unfavourable effect of the novel coronavirus and certain restrictions on travelling in Vietnam, site inspections of properties Nos. 1 to 4 have not been arranged. As an alternative procedure, we have sought the assistance from the Group, and video record or live broadcast or photos of those properties were taken to us so that we could understand the conditions of the properties. Our inspections of the valuation of the properties have been based on the above alternative procedure. In the course of conducting the alternative procedure to onsite inspections, we not only trained the Company's employees by video call, telephones and emails, but also analysed the information provided by them, information that is available through general searches on the internet and our existing databases to ensure that we had a sufficient understanding on the situations of the properties. Such alternative procedure is compliant with HKIS Valuation Standard 2020, VS.7.1.5 and VS.7.1.8, and we are of the view that the alternative procedure does not have any material impact on our valuations of the Group's properties. We have tried to have a comprehensive understanding on the situations of the properties, although there may still be omissions or incompleteness in the above alternative procedures. Such omissions or incompleteness may arise from the lack of onsite inspections include, for example, as to the exact physical properties of the land and fixtures thereon and (if any) their loss of utility due to physical deterioration resulting from age and usage. However, based on the alternative procedures already adopted, we do not expect such discrepancies to be material in nature.

We have inspected the exterior and wherever possible, the interior of properties Nos. 5 to 7. During the course of our inspections, we did not note any serious defects. However, no structural surveys have been made nor have any tests been carried out on any of the services provided in the properties. We are, therefore, unable to report that the properties are free from rot, infestation or any other structural defects.

In the course of our valuations, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, site or floor areas, identification of the properties and other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the site or floor areas in respect of the properties but have assumed that the site or floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on the confirmation given by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowances have been made in our valuations for any charges, mortgages or amounts owing on the properties or for any expenses or taxation, which may be incurred in effecting a sale or purchase.

Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

8. REMARKS

Unless otherwise stated, all monetary figures stated in this report are in Renminbi ("**RMB**").

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
RAVIA GLOBAL APPRAISAL ADVISORY LIMITED

Dr. Alan Lee
PhD(BA) MFin BCom(Property)
MHKIS RPS(GP) AAPI CPV CPV(Business)
Director

Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 16 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.

SUMMARY OF VALUES

Group I – Properties held by the Group in Vietnam

No.	Properties	Market value in existing state as at 30 June 2021 *(RMB)*
1.	Bac Son Village, Thong Nhat District, Dong Nai Province, Vietnam	7,900,000
2.	Tan Truong Commune, Cam Giang District, Hai Duong Province, Vietnam	23,500,000
3.	Cum CN Long Cang-Long Dinh, Xa Long Cang, Huyen Can Duoc, Long An Province, Vietnam	36,300,000
4.	A1.5 & A1.6 RD, Nhon Hoa Industrial Zone, Nhon Hoa Village, An Nhon District, Binh Dinh Province, Vietnam	16,500,000
5.	Bau Bang Industrial Park, Lai Uyen Town, Bau Bang District, Binh Duong Province, Vietnam	35,600,000
	Total:	**119,800,000**

Group II – Property held by the Group in Cambodia

No.	Property	Market value in existing state as at 30 June 2021 *(RMB)*
6.	Phnom Penh Special Economic Zone (plot P2-090-B, 091) National Road 4, Phum Boeung Thom 3, Sangkat Boeung Thom, Khan Porsenchey, Phnom Penh, Cambodia	22,800,000
	Total:	**22,800,000**

Group III – Property held by the Group in Malaysia

No.	**Property**	**Market value in existing state as at 30 June 2021** *(RMB)*
7.	Plo 511, Zone 12, Jalan Keluli, Pasir Gudang Industrial Area, 81700 Pasir Gudang, Johor, Malaysia	9,400,000
	Total:	**9,400,000**

VALUATION CERTIFICATE

Group I – Properties held by the Group in Vietnam

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2021 *(RMB)*
1.	Bac Son Village, Thong Nhat District, Dong Nai Province, Vietnam	The property comprises a parcel of leasehold land with a site area of approximately 61,041.90 sq.m. on which various buildings and structures completed in about 1998 are erected. The total gross floor area of the property is approximately 27,381.00 sq.m.. The land use rights of the property have been granted for a term expiring on 24 May 2030.	As advised by the Group, the property is currently occupied by the Group.	7,900,000

Notes:

1. Pursuant to a land lease agreement No.441/QD dated 20 June 2000 issued by the People's Committee of Dong Nai Province, the land use rights of a parcel of land with a site area of approximately 61,044.90 sq.m. were granted to Asia Nutrition Technologies (VN) Co. Ltd. ("**ANTC-VN**"), for a term commencing from 1 July 1999 and expiring on 24 May 2030 for feed mill purposes.

2. Pursuant to a Land Use Rights Certificate No.661887 dated 28 June 2000, the land portion of the property with a site area of 61,041.90 sq.m. was leased to ANTC-VN for a term expiring on 24 May 2030.

3. As advised by the Group, the land portion of the property is not permitted to participate in the Vietnam real estate market. Therefore, only the improvements components of the property is the subject of our valuation. As per the Land Law No.45/2013/QH13 (Article 175), the assets attached to the leased land are permitted to sell. We have assumed that upon transfer of the improvements the potential buyer will inherit the lease terms that were agreed between the Lessor and the previous Lessee. For the purpose of this valuation, only the improvements are the subject of this report.

4. ANTC-VN is an approximately 65.51% indirectly-owned subsidiary of the Company.

5. We have been instructed by the Group to perform our valuation based on the following assumptions:

   a. ANTC-VN is in possession of a proper legal title to the property;

   b. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and

   c. The land portion of the property cannot be freely transferred. The building portion of the property can be freely transferred.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2021 *(RMB)*
2.	Tan Truong Commune, Cam Giang District, Hai Duong Province, Vietnam	The property comprises 3 parcels of leasehold land with a total site area of approximately 84,566.40 sq.m. on which various buildings and structures completed in about 2004 are erected. The total gross floor area of the property is approximately 42,283.00 sq.m.. The land use rights of the property have been granted for a term with the latest expiry date on 14 March 2053.	As advised by the Group, the property is currently occupied by the Group.	23,500,000

Notes:

1. Pursuant to 3 land lease agreements – No.39/HDTD-NQ dated 2 March 2007, No.611/2015/HD-TT dated 6 November 2015 and No.462/HD-TD dated 15 October 2004, the land use rights of 3 parcel of land with a site area of approximately 84,625.40 sq.m. were granted to Asia Nutrition Technologies (HN) Co. Ltd. ("**ANTC-HN**"), for various terms with the latest expiry date on 14 March 2053.

2. Pursuant to a Land Use Rights Certificate No.BA631255 dated 17 December 2007, the land portion of the property with a site area of 24,341.00 sq.m. was leased to ANTC-HN for a term expiring on 2 June 2054.

3. Pursuant to a Land Use Rights Certificate No.AB446730, the land portion of the property with a site area of 41,184.50 sq.m. was leased to ANTC-HN for a term expiring on 14 March 2053.

4. Pursuant to a Supplemental Agreement No.3266/QD-UBND dated 22 September 2006, the Vietnam Government has retaken a land area of 2,849.10 sq.m. from the land parcel mentioned in Note No.3 for right of way.

5. As advised by the Group, the land parcel with a site area of 21,890.00 sq.m. was not granted Land Use Rights Certificate because it is not a land for construction and is currently used as lorry carpark.

6. As advised by the Group, the land portion of the property is not permitted to participate in the Vietnam real estate market. Therefore, only the improvements components of the property is the subject of our valuation. As per the Land Law No.45/2013/QH13 (Article 175), the assets attached to the leased land are permitted to sell. We have assumed that upon transfer of the improvements the potential buyer will inherit the lease terms that were agreed between the Lessor and the previous Lessee. For the purpose of this valuation, only the improvements are the subject of this report.

7. ANTC-HN is an approximately 65.51% indirectly-owned subsidiary of the Company.

8. We have been instructed by the Group to perform our valuation based on the following assumptions:

   a. ANTC-HN is in possession of a proper legal title to the property;

   b. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and

   c. The land portion of the property cannot be freely transferred. The building portion of the property can be freely transferred.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2021 *(RMB)*
3.	Cum CN Long Cang-Long Dinh, Xa Long Cang, Huyen Can Duoc, Long An Province, Vietnam	The property comprises 4 parcels of leasehold land with a site area of approximately 107,553.00 sq.m. on which various buildings and structures completed in about 2007 are erected. The total gross floor area of the property is approximately 39,549.00 sq.m.. The land use rights of the property have been granted for various terms with the latest expiry date on 11 November 2021.	As advised by the Group, the property is currently occupied by the Group.	36,300,000

Notes:

1. Pursuant to a land lease agreement No.02/HD.TQSDD/07 dated 14 March 2007, the land use rights of a parcel of land with a site area of approximately 100,000 sq.m. were granted to Asia Nutrition Technologies (VN) Co. Ltd. ("**ANTC-VN**") for a term expiring on 11 November 2055.

2. Pursuant to 3 land lease agreements – No.01/2016/TT-ANT dated 17 November 2016, No. 03/2019/TTS-ANT/PLHD dated 1 March 2019 and No.14/2017/TL-ANT dated 3 March 2017, the land use rights of 3 parcels of land with a total site area of approximately 5,027.00 sq.m. were granted to Asia Nutrition Technologies (LA) Co., Ltd. ("**ANTC-LA**"), for various terms with the latest expiry date on 17 November 2021.

3. Pursuant to a Land Use Rights Certificate No.BK412038 dated 13 April 2007, the land portion of the property with a site area of 107,553.00 sq.m. was leased to ANTC-LA for a term expiring on 11 November 2055.

4. As advised by the Group, the land portion of the property is not permitted to participate in the Vietnam real estate market. Therefore, only the improvements components of the property is the subject of our valuation. As per the Land Law No.45/2013/QH13 (Article 175), the assets attached to the leased land are permitted to sell. We have assumed that upon transfer of the improvements the potential buyer will inherit the lease terms that were agreed between the Lessor and the previous Lessee. For the purpose of this valuation, only the improvements are the subject of this report.

5. ANTC-VN and ANTC-LA are both approximately 65.51% indirectly-owned subsidiary of the Company.

6. We have been instructed by the Group to perform our valuation based on the following assumptions:

   a. ANTC-VN and ANTC-LA are in possession of a proper legal title to the property;

   b. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and

   c. The land portion of the property cannot be freely transferred. The building portion of the property can be freely transferred.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2021 *(RMB)*
4.	A1.5 & A1.6 RD, Nhon Hoa Industrial Zone, Nhon Hoa Village, An Nhon District, Binh Dinh Province, Vietnam	The property comprises a parcel of leasehold land with a site area of approximately 53,551.50 sq.m. on which various buildings and structures completed in about 2014 are erected. The total gross floor area of the property is approximately 17,282.00 sq.m.. The land use rights of the property have been granted for a term expiring on 17 July 2059.	As advised by the Group, the property is currently occupied by the Group.	16,500,000

Notes:

1. Pursuant to a land lease agreement No.17/HD-TLD7 dated 8 December 2012, the land use rights of a parcel of land with a site area of approximately 53,551.50 sq.m. were granted to Asia Nutrition Technologies (MV) Co. Ltd. ("**ANTC-MV**") for a term expiring on 17 July 2059.

2. Pursuant to a Land Use Rights Certificate No.BU491774 dated 19 September 2013, the land portion of the property with a site area of 53,551.50 sq.m. was leased to ANTC-MV for a term expiring on 17 July 2059.

3. As advised by the Group, the land portion of the property is not permitted to participate in the Vietnam real estate market. Therefore, only the improvements components of the property is the subject of our valuation. As per the Land Law No.45/2013/QH13 (Article 175), the assets attached to the leased land are permitted to sell. We have assumed that upon transfer of the improvements the potential buyer will inherit the lease terms that were agreed between the Lessor and the previous Lessee. For the purpose of this valuation, only the improvements are the subject of this report.

4. ANTC-MV is an approximately 65.51% indirectly-owned subsidiary of the Company.

5. We have been instructed by the Group to perform our valuation based on the following assumptions:

   a. ANTC-MV is in possession of a proper legal title to the property;

   b. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and

   c. The land portion of the property cannot be freely transferred. The building portion of the property can be freely transferred.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2021 *(RMB)*
5.	Bau Bang Industrial Park, Lai Uyen Town, Bau Bang District, Binh Duong Province, Vietnam	The property comprises a parcel of leasehold land with a site area of approximately 60,000.00 sq.m. on which various buildings and structures completed in about 2018 are erected. The total gross floor area of the property is approximately 24,567.00 sq.m.. The land use rights of the property have been granted for a term expiring on 30 June 2057.	As advised by the Group, the property is currently occupied by the Group.	35,600,000

Notes:

1. The property has been acquired within 5 years of the Date of Valuation. Pursuant to a land lease agreement No.05/11/2016/HDTD dated 22 November 2016, the land use rights of a parcel of land with a site area of approximately 60,000.00 sq.m. were granted to Asia Nutrition Technologies (VN) Co. Ltd. ("**ANTC-VN**") at a consideration of US$2,904,000 for a term expiring on 30 June 2057. As advised by the Group, there was no extra cost expended on the property.

2. Pursuant to a Land Use Rights Certificate No.CK505910 dated 6 July 2017, the land portion of the property with a site area of 60,000.00 sq.m. was leased to ANTC-VN for a term expiring on 30 June 2057.

3. As advised by the Group, the land portion of the property is not permitted to participate in the Vietnam real estate market. Therefore, only the improvements components of the property is the subject of our valuation. As per the Land Law No.45/2013/QH13 (Article 175), the assets attached to the leased land are permitted to sell. We have assumed that upon transfer of the improvements the potential buyer will inherit the lease terms that were agreed between the Lessor and the previous Lessee. For the purpose of this valuation, only the improvements are the subject of this report.

4. ANTC-VN is an approximately 65.51% indirectly-owned subsidiary of the Company.

5. We have been instructed by the Group to perform our valuation based on the following assumptions:

   a. ANTC-VN is in possession of a proper legal title to the property;

   b. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and

   c. The land portion of the property cannot be freely transferred. The building portion of the property can be freely transferred.

6. The inspection was performed by Nguyen Giang Anh, Bachelor degree holder with over 1-year property experience, in August 2021.

VALUATION CERTIFICATE

Group II – Property held by the Group in Cambodia

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2021 *(RMB)*
6.	Phnom Penh Special Economic Zone (plot P2-090-B, 091) National Road 4, Phum Boeung Thom 3, Sangkat Boeung Thom, Khan Porsenchey, Phnom Penh, Cambodia	The property comprises a parcel of leasehold land with a site area of approximately 28,685.00 sq.m. on which various buildings and structures completed in about 2018 are erected. The total gross floor area of the property is approximately 23,829.00 sq.m.. The land use rights of the property have been granted for a term expiring on 3 September 2067.	As advised by the Group, the property is currently occupied by the Group.	22,800,000

Notes:

1. The property has been acquired within 5 years of the Date of Valuation. Pursuant to a Perpetual Lease Agreement No.PPSEZ/LU17-071/PLA entered into between Phnom Penh SEZ PLC., and ANTC-VN dated 4 September 2017, the land use rights of the property with a site area of 28,685.00 sq.m. were granted to ANTC-VN at a consideration of US$1,864,525. As advised by the Group, there was no extra cost expended on the property.

2. Pursuant to an Addendum Agreement No.PPSEZ/LU17-122/AA entered into between Phnom Penh Sez PLC., ANTC-VN, and Ant Feed Co., Ltd., dated 13 December 2017, Ant Feed Co., Ltd., accepted all the benefits, claims, obligations and rights of ANTC-VN as set out in the Lease Agreement in note No.1.

3. Pursuant to a Land Use Rights Certificate No.PP012 dated 23 March 2018, the land portion of the property with a site area of 28,685.00 sq.m. was leased to ANTC-VN for a term of 50 years commencing on 4 September 2017.

4. Ant Feed Co., Ltd., is an approximately 52.41% indirectly-owned subsidiary of the Company.

5. We have been instructed by the Group to perform our valuation based on the following assumptions:

   a. Ant Feed Co., Ltd., is in possession of a proper legal title to the property;

   b. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and

   c. The land portion of the property cannot be freely transferred. The building portion of the property can be freely transferred.

6. The inspection was performed by Ricky Lai, Bachelor degree holder with over 5-year property experience, in August 2021.

VALUATION CERTIFICATE

Group III – Property held by the Group in Malaysia

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2021 *(RMB)*
7.	Plo 511, Zone 12, Jalan Keluli, Pasir Gudang Industrial Area, 81700 Pasir Gudang, Johor, Malaysia	The property comprises a parcel of leasehold land with a site area of approximately 8,094.00 sq.m. on which various buildings and structures completed between 1995 and 2011 are erected. The total gross floor area of the property is approximately 3,600.00 sq.m.. The land use rights of the property have been granted for a term expiring on 30 August 2050.	As advised by the Group, the property is currently occupied by the Group.	9,400,000

Notes:

1. Pursuant to a Land Title Deed, Suratan Hakmilik Sementara No. H. S. (D) 252217, the land use rights of the property were granted to Great Wall Nutrition Technologies Sdn. Bhd. for a term of 60 years expiring on 18 September 2056 for feedmill use.

2. Great Wall Nutrition Technologies Sdn Bhd. is an indirect wholly-owned subsidiary of the Company.

3. We have been instructed by the Group to perform our valuation based on the following assumptions:

   a. Great Wall Nutrition Technologies Sdn. Bhd. is in possession of a proper legal title to the property;

   b. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and

   c. The property can be freely transferred.

4. The inspection was performed by Y. M. Tan, Bachelor degree holder with over 1-year property experience, in August 2021.

1. FINANCIAL INFORMATION OF THE COMPANY

Details of the financial information of the Group for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 and for the six months ended 30 June 2021 have been set out in the following documents respectively:

(a) the annual report of the Company for the year ended 31 December 2018 from pages 110 to 303 (https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0426/ltn20190426529.pdf);

(b) the annual report of the Company for the year ended 31 December 2019 from pages 109 to 284 (https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0424/2020042400779.pdf);

(c) the annual report of the Company for the year ended 31 December 2020 from pages 114 to 272 (https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0423/2021042300631.pdf); and

(d) the interim report of the Company for the six months ended 30 June 2021 from pages 18 to 49 (https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0824/2021082400373.pdf).

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 July 2021, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had borrowing liabilities of approximately RMB943.7 million and lease liabilities of approximately RMB131.2 million. Details are as follows:

Borrowings

As at 31 July 2021, the Group had outstanding borrowings of approximately RMB943.7 million. These included: (i) guaranteed unsecured bank borrowings of approximately RMB49.9 million; (ii) unguaranteed unsecured bank borrowings of approximately RMB830.2 million; and (iii) unguaranteed unsecured government borrowings of approximately RMB63.6 million.

Lease liabilities

As at 31 July 2021, the Group had lease liabilities of approximately RMB131.2 million.

Pledge

As at 31 July 2021, a subsidiary of the Group pledged its machinery and equipment to a bank as security for a loan, thereby obtaining a borrowing limit of VND100 billion, which has not been utilised.

Save as disclosed above, apart from intra-group liabilities, normal trade payables and other payables, as at 31 July 2021, the Group did not have any other debt securities, term loans, other borrowings or indebtedness in the nature of borrowings whether issued and outstanding, or authorised or otherwise created but unissued, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptable credits, hire purchase commitments, guaranteed, unguaranteed, secured or unsecured debts and borrowings, mortgages, charges, contingent liabilities or guarantees.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after taking into account the Group's internal resources and the available banking facilities, the working capital available to the Group is sufficient for the Group's requirements for at least the next 12 months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

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".

For the livestock feed segment, the Group will continue to pursue the following strategies: (i) to take advantage of the biotechnology intestinal pre-digestion fermentation technology and to focus on marketing activities for sow and piglet functional feed products; (ii) to select valued customers and offer them products, technical and service support so as to enhance their loyalty and contribution to the Group; and (iii) to strengthen the management of bulk raw materials procurement systems to create the advantage of lower raw material cost.

For processed food segment, the Group will (i) continue to concentrate resources on product research and development in professional catering market to improve product competitiveness and create a number of hit products; intensively cultivate the market to enlarge its market share; improve the channel structure to continuously enhance the sales force of the team; (ii) provide key customers with a full range of services to form strategic alliances and achieve mutual growth; (iii) continue to utilise its advantage in relation to Japanese style products for research and development to further the development of customer base in regions such as Singapore and Hong Kong in order to diversify risks in the export market; and (iv) combine online and offline sales to build a brand advantage in retail consumption market.

In order to strengthen the Group's leading position in the production and sales in the PRC of the domestic chicken meat processing food product, 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, the PRC, as well as a broiler electrical slaughter factory and a feeds processing plant. The investment of this project is approximately RMB1 billion, and the first phase is expected to be completed and put into operation by the end of 2022.

For the meat product segment, the operating strategy of "eliminating risk" adhered by the Group will continue to be implemented in the future, particular measures of which include: (i) achieving the provision of 50% of the day-old chicks required by electrical slaughterhouses by broiler self-breeding farms and cooperative farms, and the signing of strategic cooperation supply contracts with external broiler farms for the remaining 50% of the day-old chicks depending on the market price trend; (ii) encouraging contract farmers to change the way of rearing from netting to caging, to assist them to strengthen management, reduce the rearing and breeding fees and raise the rearing and breeding efficiency; (iii) continuing to promote automation transformation projects for equipment in the electrical slaughterhouse; and (iv) continuing to increase the proportion of converting the Group's chicken meat to prepared food and deeply processed food products and eliminate market risk when the meat market is on decline, etc.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (as defined under the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in the Company – long positions

Name of Directors	**Type of Interest**	**Number of Shares held**	**Approximate percentage of issued share capital of the Company** *(Note 1)*
Han Chia-Yin *(Note 2)*	Beneficial owner/ Interests of spouse	582,000	0.06%
Han Jia-Hwan	Beneficial owner	344,000	0.03%
Chao Tien-Shin *(Note 3)*	Beneficial owner/ Interests jointly held with spouse	3,834,000	0.38%
Chen Chih	Beneficial owner	300,000	0.03%
Way Yung-Do	Beneficial owner	355,000	0.03%
James Chun-Hsien Wei	Beneficial owner	22,000	0.002%

Note:

1. As at the Latest Practicable Date, the total number of the issued Shares was 1,016,189,000.
2. Mr. Han Chia-Yin held 382,000 Shares and was also deemed to be interested in 200,000 Shares held by his spouse by virtue of section 344 of the SFO.
3. Mr. Chao Tien-Shin held 3,534,000 Shares and was also deemed to be interested in 300,000 Shares jointly held by Mr. Chao and his spouse by virtue of section 344 of the SFO.

(b) Interest in associated corporation of the Company – long positions

Name of Directors	Name of associated corporation	Type of Interest	Number of shares held	Approximate percentage of issued share capital of associated corporation *(Note 1)*
Han Chia-Yau	GWE	Beneficial owner	62,352	0.01%
Harn Jia-Chen	GWE	Beneficial owner	66,973	0.01%
Chao Tien-Shin *(Note 2)*	GWE	Interests of a corporation jointly controlled with spouse	11,507,024	1.35%

Note:

1. As at the Latest Practicable Date, the total number of the issued shares of GWE was 852,159,259.

2. Mr. Chao Tien-Shin is deemed to be interested in 11,507,024 shares of GWE held by CTS Investment Corporation which is controlled by Mr. Chao and his spouse.

Save as disclosed in this paragraph 2, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date, so far as was known to any Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(a) Interest in the Company – long positions

Name of Shareholder *(Note 1)*	**Type of Interest**	**Number of Shares held**	**Approximate percentage of issued share capital of the Company** *(Note 2)*
Waverley Star Limited	Beneficial interests	375,899,946	36.99%
Asia Nutrition Technologies Corporation	Beneficial interests	152,924,906	15.05%
GWIH	Interests of controlled corporation	528,824,852 *(Note 3)*	52.04%
GWE	Interests of controlled corporation	528,824,852 *(Note 3)*	52.04%
Hansen, Inc.	Beneficial interests	67,424,954	6.63%
Sun Hui Ying	Beneficial interests	50,978,000	5.02%

Note:

1. The following Directors are directors/employees of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

   (a) Mr. Han Chia-Yin is a director of GWE;

   (b) Mr. Han Chia-Yau is a director of GWE and the chairman of the board of the directors of GWE. He is also a director of Waverley Star Limited, Asia Nutrition Technologies Corporation and Great Wall International (Holdings) Ltd.;

   (c) Mr. Harn Jia-Chen is a director of GWE;

   (d) Mr. Chao Tien-Shin is a director of GWE; and

   (e) Mr. Ting Yu-Shan is a director of GWE.

2. As at the Latest Practicable Date, the total number of the issued Shares was 1,016,189,000.

3. The shares were registered in the name of Waverley Star Limited and Asia Nutrition Technologies Corporation, each of which was a wholly-owned subsidiary of GWIH, which, in turn, was a wholly-owned subsidiary of GWE. Under the SFO, both GWIH and GWE were deemed to be interested in all the shares held by Waverley Star Limited and Asia Nutrition Technologies Corporation.

(b) Interests in subsidiaries of the Company

As at the Latest Practicable Date, so far as was known to any Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) were, directly or indirectly, interested in 10% or more of the issued voting shares of any subsidiary of the Company:

Name of subsidiary of the Company	Name of substantial shareholder	Approximate percentage of shareholding
Great Wall Dalian Investment Co., Ltd.* (大成大連投資有限公司)	Marubeni Corporation (丸紅株式會社)	40%
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Yongkong Holdings Limited	17%
DaChan Livestock Development Co., Ltd.* (孟村回族自治縣大成畜牧開發有限公司)	Mengcun Hui Autonomous County Construction Investment Co., Ltd.* (孟村回族自治縣城市建設投資有限公司)	60%
Ant Feed Co., Ltd.	Huang Lieh Chun (黃烈群)	20%
Taixu & DaChan Foods Holdings Co., Limited (台畜大成食品控股有限公司)	Taiwan Farm Holding Co., Ltd.	38.46%
Taixu & Dachan Foods Co., Limited (台畜大成食品有限公司)*	CAI Cathy Ltd.	15%
Tianjin Chao Cheng Food Trade Co., Ltd.* (天津朝成食品貿易有限公司)	Xiamen Fonshinn Bio-Tec Inc.* (廈門風時新生物科技有限公司)	45%

* *The English translation of the company names is for reference only. The official names of these companies are in Chinese*

Save as disclosed in this paragraph 3, there is no person (not being a Director or chief executive of the Company) known to the Directors and chief executive of the Company, who, as at the Latest Practicable Date, had, or were deemed or taken to have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, were, directly or indirectly, interested in 10% or more of the issued voting shares of any subsidiary of the Company.

4. MATERIAL CONTRACTS

Save for the Disposal Agreement, no other contracts (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within two years immediately preceding the Latest Practicable Date and are, or may be, material.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation other than statutory compensation.

6. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors (i) had any interest in any assets which have been, since 31 December 2020 (being the date up to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group and (ii) was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and significant in relation to the business of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be disclosable under the Listing Rules.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this circular or have given opinion and/or advice contained in this circular:

Name	Qualifications
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 SFO
Ravia Global Appraisal Advisory Limited	qualified independent valuer in Hong Kong

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Independent Financial Adviser and the Valuer is a third party independent of the Company and its connected persons.

Each of the Independent Financial Adviser and the Valuer has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or report and/or reference to its name, in the form and context in which it appears in this circular.

As at the Latest Practicable Date, each of the Independent Financial Adviser and the Valuer did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the Independent Financial Adviser and the Valuer did not have any interest, direct or indirect, in any assets which have been, since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

10. MISCELLANEOUS

(a) The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

(b) The principal place of business in Hong Kong is at Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

(c) The Company's branch share registrar in Hong Kong is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The secretary of the Company is Ms. Cho Yi Ping, a practising solicitor of Hong Kong.

(e) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong, for a period of 14 days from the date of this circular:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for each of the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020;

(c) the interim report of the Company for the six months ended 30 June 2021;

(d) the letter from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this circular;

(e) the letter from the Independent Financial Adviser, the text of which is set out on pages 26 to 48 of this circular;

(f) the Equity Valuation Report, the text of which is set out in Appendix I to this circular;

(g) the Property Valuation Report, the text of which is set out in Appendix II to this circular;

(h) the written consents from the Independent Financial Adviser and the Valuer referred to in the section headed “Experts and Consents” in this appendix;

(i) the Disposal Agreement; and

(j) this circular.

DACHAN FOOD (ASIA) LIMITED
大成食品（亞洲）有限公司

(the "Company")

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3999)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that a hybrid extraordinary general meeting (the "**EGM**") of DaChan Food (Asia) Limited (the "**Company**") will be held on 15 October 2021, Friday at 2:00 p.m. with a combination of (a) a physical meeting at Imperial Room IV Mezzanine Floor – Towers Wing Royal Pacific Hotel 33 Canton Road, China Hong Kong City, Tsim Sha Tsui, Hong Kong; and (b) a virtual meeting online to consider and, if thought fit, pass the following ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

1. **"THAT**

(a) the Master Purchase (Renewal) Agreement (as defined in the circular of the Company dated 24 September 2021 relating to the continuing connected transactions (the "**CCT Circular**"), a copy of which will be produced to the meeting and marked "A" and initialled by the chairman of the EGM for the purpose of identification), the terms and the transactions contemplated thereunder together with the relevant proposed annual caps in relation to such transactions for three years starting from 1 January 2022 and ending on 31 December 2024 as set out in the CCT Circular be and are hereby approved, confirmed and ratified; and

(b) any director of the Company be and is hereby authorised to take any step and execute such other documents as he considers necessary, desirable or expedient that are of administrative nature and ancillary to and for the purposes of carrying out or giving effect to the Master Purchase (Renewal) Agreement or the transactions contemplated thereunder."

2. **"THAT**

(a) the Disposal Agreement (as defined in the circular of the Company dated 24 September 2021 relating to the major and connected transaction (the "**Disposal Circular**"), a copy of which will be produced to the meeting and marked "B" and initialled by the chairman of the EGM for the purpose of identification), and the terms and conditions thereof, transactions contemplated thereunder and any other agreements ancillary to the Disposal (as defined in the Disposal Circular), be and are hereby approved, confirmed and ratified; and

(b) the authorisation to any one of the directors of the Company (the "**Directors**"), or any other person authorised by the board of Directors (the "**Board**") from time to time, for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and to do all such acts, matters and things and take all such steps as he or they may in his or their absolute discretion consider to be necessary, expedient, desirable or appropriate to give effect to and implement the Disposal Agreement and the transactions contemplated thereunder and all matters incidental to, ancillary to or in connection thereto, including agreeing and making any modifications, amendments, waivers, variations or extensions of the Disposal Agreement or the transactions contemplated thereunder be and are hereby approved, confirmed and ratified."

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

Hong Kong, 24 September 2021

Notes:

1. A member of the Company who is a holder of two or more shares of the Company, and who is entitled to attend and vote at the EGM, is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy needs not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the EGM and any adjournment thereof should he so wish. In such event, his form of proxy will be deemed to have been revoked.

2. A form of proxy for the EGM is enclosed with the Company's circular dated 24 September 2021. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed on the form together with a valid power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof.

3. The Hong Kong branch register of members of the Company will be closed from 11 October 2021, Monday to 15 October 2021, Friday (both dates inclusive) for the purposes of determining the entitlements of the members of the Company to attend and vote at the EGM. No transfers of the shares of the Company may be registered during the said period. In order to qualify for the aforesaid entitlements, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on 8 October 2021, Friday.

4. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the above resolutions will be voted by way of poll; shareholders of the Company who have material interests (within the meaning of the Listing Rules) in the transactions to be approved by the above resolution, including but not limited to Great Wall Enterprise Co., Ltd. and/or its associate (within the meaning of the Listing Rules), are required to abstain from voting in the relevant resolutions.

5. This year, the Company will conduct a hybrid EGM using Tricor e-Meeting System, which allows Shareholders to participate the EGM online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form to the EGM via their mobile phones, tablet, or computers. The live broadcast option can also broaden the reach of the EGM to Shareholders who do not wish to attend physically due to concerns on attending large scale events under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend in person.

6. Although Shareholders are welcome to attend the EGM physically in person if they so wish, the Company strongly recommends Shareholders to attend the EGM via the online option in view of the current development of COVID-19. The Company will also be undertaking the following precautionary measures to safeguard the health and well-being of Shareholders (or their proxies) who are attending the EGM in person, including temperature screening, requiring all participants to wear surgical face mask, plus safe distancing measures for queue management and seating at the meeting venue. To reduce close contact between attendees at the physical EGM, no food or beverages will be served at the venue and no souvenirs would be distributed. The Company may also deny any person who refuses to co-operate with the above precautionary measure or is detected to have a fever (i.e. over 37.3 C) or exhibiting flu-like symptoms from entering the meeting venue. If the venue of the EGM is closed in response to the COVID-19 outbreak, the EGM will continue to be held via the online platform.

7. For online voting at the EGM, Shareholders can refer to our enclosed letter and the Online Meeting User Guide (by visiting the hyperlink or scanning the QR code as printed therein) for details. If you have any queries on the above, please contact the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, via their hotline at (852) 2975 0928 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).

8. Shareholders who wish to attend the EGM and exercise their voting rights can be achieved in one of the following ways:

   (1) attend the EGM in person and vote via smartphones or designated mobile devices at the EGM venue; or

   (2) attend the EGM via Tricor e-Meeting System which enables live streaming and interactive platform for Q&A and submit their voting online; or

   (3) appoint Chairman of the EGM or other persons as your proxy to vote on your behalf.

   Your proxy's authority and instruction will be revoked if you attend and vote in person at the EGM or via the Tricor e-Meeting system.

   Non-registered holders whose shares of the Company are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the EGM, vote and submit questions and vote online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

   For corporate Shareholders who wish to attend the EGM and to vote online, please contact Company's Branch Share Registrar at (852) 2975 0928 on or before 11 October 2021 for arrangement.

9. The EGM would proceed as arranged on 15 October 2021, Friday regardless of whether or not a rainstorm warning signal or a tropical cyclone warning signal is in force in Hong Kong at any time on that day. However, if there is no quorum present in accordance with the Articles, the EGM should be adjourned to the same day in the next week and at such time and place as shall be decided by the Board.

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