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DACHAN FOOD (ASIA) LIMITED

大成食品(亞洲)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3999)

PROFIT WARNING

This announcement is made by DaChan Food (Asia) Ltd (the “Company” together with its subsidiaries, the “Group”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors of the Company (the “Board”) hereby informs the shareholders and potential investors of the Company that, based on the information currently available to the Board and the result of the preliminary review of the unaudited management accounts of the Group for the year ended 31 December 2015, the Company expects that the loss attributable to shareholders will be in the range between RMB 115 million and RMB 160 million for the year ended 31 December 2015.

According to the information currently available to the Board, the Board considers that an increase in loss for the year ended 31 December 2015 as compared to the same period last year is mainly due to: (1) a significant exchange loss generated from the domestic US\$ loan of the Company resulting from a sharp decrease in RMB exchange rate against US\$ during the reporting period; (2) a loss caused by the making of provision for asset impairment for the electrical slaughtering facilities being shut down following the shut down of certain electrical slaughterhouse as a result of the Company’s timely adjustment of business structure and reduction of electrical slaughtering capacity in response to the market condition of overcapacity in domestic electrical slaughtering of broilers and limited profitability of chicken processing industry.

Although the above matters has caused a significant increase in loss attributable to shareholders of the Company as compared to the same period last year, the gearing ratio and cash flow position of the Company are still safe and the food product segment, which is the key development area of business of the Company in recent years, achieved a continuous growth during the reporting period, therefore, the Board considers that the overall operation of the Company remains normal.

Facing the tough challenges in the current international currency exchange market and the domestic business environment, the Company will closely monitor the market conditions and strengthen the management of foreign exchange risk and operation risk so as to enhance the profitability of the Company.

The Company has yet to finalise the annual results of the Group for the year ended 31 December 2015. The information contained in this announcement is only based on a preliminary assessment with reference to the consolidated management accounts of the Company for the year ended 31 December 2015, which have neither been audited by the auditor nor reviewed by the audit committee of the Company, and may be subject to adjustments and finalisation. The Company is preparing the annual results for the year ended 31 December 2015, which is expected to be published on 29 March 2016.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

Han Jia-Hwan

Chairman

Hong Kong, 17 March 2016

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