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DACHAN FOOD (ASIA) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3999)

VARIATION TO TERMS OF DISCLOSEABLE TRANSACTION CHANGE OF COUNTERPARTY FOR THE DISPOSAL OF ASSETS OF A SUBSIDIARY

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcement of Dachan Food (Asia) Limited (the “Company”, together with its subsidiaries, the “Group”) dated 1 April 2016 (the “Announcement”). Unless otherwise expressed, capitalised terms used in this announcement shall carry the same meanings defined under the Announcement.

As disclosed in the Announcement, the SPA was entered into among (1) Vendor A, an indirectly wholly owned subsidiary of the Company; (2) Vendor B, a branch office of Vendor A; and (3) Purchaser, whose ultimate beneficial owners and itself are independent of the Company and connected persons of the Company, in relation to the Disposal.

CHANGE OF COUNTERPARTY

On 22 April 2016, Vendor A, Vendor B, Purchaser and 盤錦市中誠食品有限公司 (the “New Purchaser”) entered into a variation agreement to the SPA (the “Variation Agreement”) and on the same day, the Vendor A, Vendor B and the New Purchaser entered into a new sale and purchase agreement (the “New SPA”) in relation to the disposal of the assets (the “Assets”) held under the name of the Vendor B as mentioned in the Announcement.

The major terms of the Variation Agreement are set out below:-

- (a) The Purchaser would transfer all its rights and obligations under the SPA to the New Purchaser and the New Purchaser agreed to perform the obligations under the SPA.
- (b) Vendor A, Vendor B and the New Purchaser would enter into the New SPA on the date of the Variation Agreement. The New SPA shall contain identical terms and conditions as those in the SPA (save as those varied by the Variation Agreement) and shall, together with the Variation Agreement, form the entire agreement in respect of the disposal of the Assets to the New Purchaser. If there is any inconsistency between the terms of the New SPA and the Variation Agreement, the terms of the Variation Agreement shall prevail.

- (c) The Purchaser and the New Purchaser shall be jointly liable for the breach of any obligation by either of them or all compensations payable by any of them under the SPA, the Variation Agreement and the New SPA. In addition, the Purchaser shall guarantee the due performance of obligations by the New Purchaser under the Variation Agreement and the New SPA, and shall be jointly liable with the New Purchaser for compensating the Vendors for any losses incurred by them due to any breach (if any) of any provision of the said agreements by the New Purchaser.
- (d) The Variation Agreement and the New SPA would take effect conditional upon the completion of the stock-taking of the Assets and signing of the confirmation setting out the Assets by the Purchaser.

LISTING RULES IMPLICATIONS

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

INFORMATION OF THE NEW PURCHASER

The New Purchaser is a company registered and established in accordance with the laws of PRC and principally engaged in broiler raising, purchasing and sales (for projects requiring approval according to laws, business activities shall be commenced only after obtaining approval from relevant authorities).

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

On behalf of the Board
Han Jia-Hwan
Chairman

Hong Kong, 22 April 2016

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