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中國康大食品有限公司

China Kangda Food Company Limited
(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 834)
(Singapore Stock Code: P74)

VOLUNTARY ANNOUNCEMENT

FRAMEWORK AGREEMENT REGARDING A POSSIBLE ACQUISITION

The Board would like to announce that on 14 September 2017, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Framework Agreement with the Vendors, pursuant to which the Purchaser, subject to certain condition precedents, has conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of the entire equity interest in the Target Company. The Target Company is principally engaged in the retail pharmaceutical business and owns numerous pharmacies in Qingdao in the PRC.

This announcement is made by the Company on a voluntary basis to inform shareholders and potential investors of the Company of its latest business development.

THE FRAMEWORK AGREEMENT

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To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Vendors is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Under the Framework Agreement, the preliminary consideration for the Possible Acquisition is RMB30,000,000. The final consideration will be subject to further negotiation between the parties based on the audit report of the Target Company to be prepared by an audit institution.

The Purchaser will only proceed with the Possible Acquisition if certain condition precedents under the Framework Agreement are fulfilled, including but not limited to the due diligence results of the Target Company being satisfactory to the Purchaser. If the Possible Acquisition

materialises, a legally binding formal agreement will be entered into and the Target Company will become a subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

The Group is principally engaged in the production, processing, sales and distribution of chilled and frozen rabbit meat, chicken meat, processed food and other food products. The Group has been exploring suitable opportunities to develop business in the retail healthcare and/or pharmaceutical business in order to supplement and accelerate the development of its existing sales channels for the Group's brand new high value-added healthcare products.

The Target Company owns numerous pharmacies which are located approximately 25 kilometres away from the headquarters of the Company. The proximity of those pharmacies is beneficial to the logistics and management of the Group. Also, those pharmacies and the principal place of business of the Company are located in Qingdao West Coast New Area, which is the 9th national new area approved by the State Council of the PRC. The Qingdao West Coast New Area attained a GDP of approximately RMB288 billion in 2016, with residents' living standard continues to improve. In 2016, the disposable income per capital across the district amounted to approximately RMB33,487, increasing by 9.17% year-on-year. Such economic growth makes the district as one of the potential market for the healthcare and pharmaceutical sectors.

The Board believes that the Possible Acquisition will allow the Group to extend into the retail healthcare and/or pharmaceutical industry, thereby strengthen the existing sales channels of the Group, which is in line with the long term strategy of the Company. Hence, the Board considers that the Framework Agreement was entered into on normal commercial terms after arm's length negotiation, the terms of which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GENERAL

The Board wishes to emphasise that no formal agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. The Possible Acquisition, if materialises, may constitute a notifiable transaction under Chapter 14 of the Listing Rules. Further announcement in respect of the Possible Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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|-----------|---|
| “Board” | the board of Directors |
| “Company” | China Kangda Food Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are primarily listed on the Main Board of the Stock Exchange (Stock Code: 834) and secondarily listed on the main board of the Singapore Stock Exchange (Stock Code: |

P74)

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| “Directors” | directors of the Company |
| “Framework Agreement” | the framework agreement dated 14 September 2017 entered into between the Purchaser and the Vendors in relation to the Possible Acquisition |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| Mr. Liu | Mr. Liu Xubo (劉緒波), who holds 95% equity interest in the Target Company as at the date of this announcement |
| Ms. Sun | Ms. Sun Xie (孫希娥), who holds 5% equity interest in the Target Company as at the date of this announcement |
| “Possible Acquisition” | the possible acquisition by the Purchaser from the Vendors of the entire equity interest of the Target Company |
| “PRC” | the People’s Republic of China |
| “Purchaser” | Tian Yuan You Shan Company Limited (天元佑善有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company or its subsidiaries. |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Qingdao Mei De Xin Medical Chain Company Limited* (青島美德信醫藥連鎖有限公司), a company established in the PRC and principally engaged in the retail pharmaceutical business in the PRC |
| “Vendors” | collectively, Mr. Liu and Ms. Sun |
| “%” | per cent |

By order of the Board
China Kangda Food Company Limited
Fong William
Company Secretary

Hong Kong, 14 September 2017

As at the date of this announcement, the executive Directors of the Company are Mr. Fang Yu (Chief Executive Officer and Chairman), Mr. An Fengjun, Mr. Gao Yanxu, Mr. Luo Zhenwu, Ms. Dong Yutong and Mr. Wang Yuan; and the independent non-executive Directors of the Company are Mr. Lau Choon Hoong, Mr. Song Xuejun and Mr. Lu Zhiwen.

**For identification purpose only*