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**CHINA TIAN YUAN
MANGANESE LIMITED**

*(Incorporated in the Cayman Islands
with limited liability)*

**CHINA KANGDA FOOD
COMPANY LIMITED**

中國康大食品有限公司
(Incorporated in Bermuda with limited liability)

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

JOINT ANNOUNCEMENT

(1) ACQUISITION OF SHARES IN CHINA KANGDA FOOD COMPANY LIMITED BY CHINA TIAN YUAN MANGANESE LIMITED; (2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY



FOR AND ON BEHALF OF CHINA TIAN YUAN MANGANESE LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF CHINA KANGDA FOOD COMPANY LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY CHINA TIAN YUAN MANGANESE LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT); (3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND (4) RESUMPTION OF TRADING IN THE SHARES

Financial adviser to China Tian Yuan Manganese Limited

**VEDA | CAPITAL
智 略 資 本**

THE SHARE PURCHASE AGREEMENT

The Company was informed by the Vendors that, the Vendors and the Offeror entered into the Share Purchase Agreement on 21 April 2017 (after trading hours), pursuant to which, among other things:

- (1) the Group A Vendors have conditionally agreed to sell, and the Offeror has conditionally agreed to purchase the Group A Sale Shares, being 247,220,000 Shares, representing approximately 57.10% of the entire issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$331,274,800, equivalent to HK\$1.34 per Sale Share;
- (2) the Group B Vendor has conditionally agreed to sell, and the Offeror has conditionally agreed to purchase the Group B Sale Shares, being 52,295,000 Shares, representing approximately 12.08% of the entire issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$70,075,300, equivalent to HK\$1.34 per Sale Share;

The Share Purchase Agreement was agreed among the Offeror, the Group A Vendors and the Group B Vendor after arm's length negotiations. Completion shall take place on the Completion Date.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Immediately after Completion, the Offeror and parties acting in concert with it will own a total of 299,515,000 Shares, representing approximately 69.18% of the entire issued share capital of the Company (assuming no change to the issued share capital of the Company from the date of this joint announcement to the date of Completion).

Pursuant to Rule 26.1 of the Takeovers Code, subject to and upon Completion, the Offeror will be required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it).

As at the date of this joint announcement, the Company has 432,948,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Subject to and upon Completion, Prudential Brokerage, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.34 in cash

The Offer Price of HK\$1.34 per Offer Share is equal to the purchase price per Sale Share payable by the Offeror under the Share Purchase Agreement.

The Offer will also be open for acceptance by Independent Shareholders whose Shares are traded on the Singapore Stock Exchange, and a copy of this joint announcement is available on the website of the Singapore Stock Exchange at www.sgx.com.

The principal terms of the Offer are set out under the section headed “POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER” below in this joint announcement.

The Offeror shall finance and satisfy the consideration payable under the Share Purchase Agreement with the SPA Facility. The Offeror intends to finance and satisfy the consideration payable under the Offer in full with the Offer Facility.

Veda Capital, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for the Share Purchase Agreement and full acceptance of the Offer.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Among the non-executive Directors, Mr. Gao Sishi and Mr. Zhang Qi are the Group A Vendors and Mr. Naoki Yamada is the chairman and general manager of a subsidiary of the Group B Vendor and therefore related to the Group B Vendor. Accordingly, they are not considered independent for the purpose of advising the Independent Shareholders in respect of the Offer.

TC Capital International Limited has been appointed by the Company with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is, or is not, fair and reasonable and as to acceptance of the Offer.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the relevant form(s) of acceptance and transfer, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. If Completion does not take place within the 21-day period, the Offeror will apply to the Executive for a waiver pursuant to Note 2 to Rule 8.2 of the Takeovers Code.

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant form(s) of acceptance and transfer, will be issued and despatched by the Offeror and the Company jointly to the Shareholders (including those whose Shares are traded on the Singapore Stock Exchange) in accordance with the Takeovers Code, within 21 days from the date of this joint announcement or such later date as the Executive may approve. The Independent Shareholders are encouraged to read the Composite Document carefully, including the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the letter of recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer, before deciding whether or not to accept the Offer.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange and the Singapore Stock Exchange was halted with effect from 9:00 a.m. on 24 April 2017 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange and the Singapore Stock Exchange with effect from 9:00 a.m. on 2 May 2017.

WARNING

The making of the Offer is subject to Completion taking place, which in turn is conditional on the fulfillment of the conditions precedent or waiver thereof as appropriate. Accordingly, the Offer may or may not be made, and the issue of this joint announcement does not imply that the Offer will be made or will be completed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is made by the Company and the Offeror pursuant to the Takeovers Code and (in case of the Company) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

Reference is made to the Rule 3.7 Announcements of the Company in relation to, among other things, the possible sale by the Vendors of their respective shareholdings in the Company. The Company has been informed that on 21 April 2017 (after trading hours), the Vendors and the Offeror entered into the Share Purchase Agreement pursuant to which the Offeror has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares at an aggregate consideration of HK\$401,350,100, equivalent to HK\$1.34 per Sale Share. Details of the Share Purchase Agreement are set out below.

SHARE PURCHASE AGREEMENT

Date: 21 April 2017 (after trading hours)

Parties:

Vendors:

- (a) the Group A Vendors, being six individuals, in aggregate holding legally and beneficially 247,220,000 Shares, representing approximately 57.10% of the entire issued share capital of the Company as at the date of this joint announcement
- (b) the Group B Vendor, a company incorporated in Japan, holding legally and beneficially 52,295,000 Shares, representing approximately 12.08% of the entire issued share capital of the Company as at the date of this joint announcement

Purchaser: China Tian Yuan Manganese Limited, being the Offeror

The Offeror, its ultimate beneficial owners and parties acting in concert with any of them are third parties independent of and not connected with the Company and the Company's connected persons.

Subject of the Share Purchase Agreement

Pursuant to the Share Purchase Agreement, the Vendors have conditionally agreed to sell collectively, and the Offeror has conditionally agreed to purchase the Sale Shares, being 299,515,000 Shares, representing approximately 69.18% of the entire issued share capital of the Company as at the date of this joint announcement, free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date of the Share Purchase Agreement.

Consideration for the Sale Shares

The total consideration for the Sale Shares is HK\$401,350,100 (representing HK\$1.34 per Sale Share) which was agreed between the Offeror and the Vendors after arm's length negotiations and is payable in cash by the Offeror upon Completion.

Conditions

Completion is subject to the following conditions having been fulfilled or waived as appropriate:

- (a) the listing and trading of the Shares having been resumed following the clearance by the Stock Exchange and the SFC of the announcement concerning, among other matters, the subject matter of the Share Purchase Agreement and the transactions contemplated thereunder and its publication, and the Shares thereafter remaining so listed and traded on the Completion Date (save for the suspension of trading of the Shares for no more than fourteen Stock Exchange trading days) and no indication being received on or before the Completion Date from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Main Board of the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of Completion or in connection with the terms of or any transaction contemplated by the Share Purchase Agreement;
- (b) the Offeror having obtained the board approvals to approve the execution of the Share Purchase Agreement, the transactions contemplated thereunder and the Offer and all necessary governmental and/or regulatory approvals required to complete the sale and purchase of the Sale Shares;
- (c) the Group B Vendor having obtained the board approvals to approve the execution of the Share Purchase Agreement, the transactions contemplated thereunder and the Offer and all necessary governmental and/or regulatory approvals required to complete the sale and purchase of the Group B Sale Shares;

- (d) the warranties, representations and undertakings given by the Vendors remaining true, accurate and not misleading in all material respects at Completion, as if repeated at Completion and at all times between the date of the Share Purchase Agreement and Completion, and no material adverse effect having occurred between the date of the Share Purchase Agreement and Completion;
- (e) the Vendors having performed all their respective undertakings and agreements pursuant to the Share Purchase Agreement;
- (f) no order or judgment (whether temporary, preliminary or permanent) of any relevant governmental authority having been issued or made prior to Completion which has the effect of making unlawful or otherwise prohibiting or restricting or limiting the transfer of the Sale Shares to the Offeror, or any transaction contemplated by the Share Purchase Agreement;
- (g) the Group A Vendors having obtained all necessary approvals, consents or waivers required to complete the sale and purchase of the Sale Shares and in relation to the change of control of any member of the Group contemplated under the sale and purchase of the Sale Shares thereunder, under any agreements to which any members of the Group is a party, including without limitation, all necessary approvals, consents or waivers from the relevant banks in relation to the finance documents set out in the Share Purchase Agreement; and
- (h) no letter or written or verbal notice having been received by the Vendors or the Group from the relevant banks showing their decision or intention or indication that they will object to the change of control of any member of the Group contemplated under the sale and purchase of the Sale Shares under the Share Purchase Agreement.

The Vendors and the Offeror shall collectively procure the fulfillment of the condition (a) above, the Offeror shall procure the fulfilment of condition (b) above, the Group B Vendor shall procure the fulfilment of the conditions (c) to (f) above (to the extent applicable to the Group B Vendor) and the Group A Vendors shall procure the fulfilment of the conditions (d) to (h) above (to the extent applicable to the Group A Vendors), on or before the Long Stop Date.

The Offeror may at its absolute discretion at any time waive in writing any of the conditions (c) to (h) above either in whole or in part. The Vendors together may at their absolute discretion at any time waive in writing the condition (b) above (and for the avoidance of doubt, regarding such condition (b), no governmental and/or regulatory approvals is required to complete the sale and purchase of the Sale Shares). No party under the Share Purchase Agreement may waive the condition (a) above.

If (1) all the conditions have been satisfied or waived but the Offeror fails to complete pursuant to the Share Purchase Agreement, or (2) the condition (b) above has not been fulfilled or waived on or before the Long Stop Date, the Offeror's solicitors shall, within three Business Days from (I) the date on which Completion shall have taken place but for the Offeror's failure to complete or (II) from the Long Stop Date, transfer the Deposit (without interest) to the Group A Vendors, and upon receipt of the Deposit by the Group A Vendors, the obligation to complete the sale and purchase of any Sale Shares under the Share Purchase Agreement shall automatically terminate and no party shall have any further obligations, right to seek specific performance of the Share Purchase Agreement or other rights or liabilities against the other parties under the Share Purchase Agreement, other than in relation to the provisions on confidentiality, notice and governing law, jurisdiction and process agent, except that termination will not affect the then accrued rights of the Vendor(s) (including the right to damages for any breach, if any, giving rise to the termination and any other antecedent breaches of the Offeror).

If all the conditions above have been satisfied or waived but any of the Group A Vendors and/or the Group B Vendor fails to complete the sale and purchase of their respective Sale Shares pursuant to the Share Purchase Agreement, the Offeror's solicitors shall, within three Business Days from the date on which Completion shall have taken place but for the failure of the Group A Vendors and/or the Group B Vendor to complete, transfer the Deposit (without interest) to the Offeror to its designated account maintained with a licensed bank in Hong Kong. Upon such full repayment of the Deposit, the obligation to complete the sale and purchase of Sale Shares under the Share Purchase Agreement shall automatically terminate and all rights and obligations of the parties thereto shall cease immediately upon termination (other than in relation to the provisions on confidentiality, notice and governing law, jurisdiction and process agent), except that termination will not affect the then accrued rights and obligations of the Offeror (including the right to damages for any breach, if any, giving rise to the termination and any other antecedent breaches of the Vendor(s)).

If any of the conditions above (other than non-fulfilment of the condition (b) above or any action or omission taken or done by the Offeror) has not been fulfilled or waived by the Group A Vendors and/or the Group B Vendor before the Long Stop Date, the Offeror's solicitors shall, within three Business Days from the Long Stop Date, transfer the Deposit (without interest) to the Offeror to its designated account maintained with a licensed commercial bank in Hong Kong, and upon such full repayment of the Deposit, the obligation to complete the sale and purchase of any Sale Shares under the Share Purchase Agreement shall automatically terminate and no party shall have any further obligations, right to seek specific performance or other rights or liabilities against the other parties under the Share Purchase Agreement, other than in relation to the provisions on confidentiality, notice and governing law, jurisdiction and process agent.

As at the date of this joint announcement, the conditions (b), (c) and (g) have been fulfilled.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Immediately after Completion, the Offeror and parties acting in concert with it will be interested in 299,515,000 Shares, representing approximately 69.18% of the entire issued share capital of the Company (assuming no change to the issued share capital of the Company from the date of this joint announcement to the date of Completion).

Pursuant to Rule 26.1 of the Takeovers Code, subject to and upon Completion, the Offeror will be required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it).

As at the date of this joint announcement, the Company has 432,948,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Principal terms of the Offer

Subject to and upon Completion, Prudential Brokerage, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share. HK\$1.34 in cash

The Offer Price of HK\$1.34 per Offer Share is equal to the purchase price per Sale Share payable by the Offeror under the Share Purchase Agreements. The purchase price per Sale Share was arrived at after arm's length negotiations between the Vendors and the Offeror with reference to the recent prices of the Shares traded on the Stock Exchange, the financial conditions of the Group and the current market conditions. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

The Offer will also be open for acceptance by Independent Shareholders whose Shares are traded on the Singapore Stock Exchange, and a copy of this joint announcement is available on the website of the Singapore Stock Exchange at www.sgx.com.

As at the date of this joint announcement, the Group A Vendors and the Group B Vendor are beneficially interested in the Shares as follows:

Name of Shareholders	Number of Shares held and proposed to be disposed	Approximate shareholding in the Company (Note 4)
Group A Vendors		
Gao Sishi (Note 1)	166,740,000	38.51%
Cheng Xiutai	33,324,000	7.70%
Hu Wenbo	15,026,000	3.47%
Gao Yanxu (Note 2)	14,310,000	3.31%
Kang Peiqiang	8,910,000	2.06%
Zhang Qi (Note 3)	8,910,000	2.06%
Group B Vendor		
Zensho Holdings Co., Ltd.	52,295,000	12.08%
Total	299,515,000	69.18%

Notes:

1. Gao Sishi is the chairman of the Company and a non-executive Director.
2. Gao Yanxu is an executive Director.
3. Zhang Qi is a non-executive Director.
4. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Comparisons of value

The Offer Price of HK\$1.34 per Offer Share represents:

- (a) a discount of approximately 44.63% to the closing price of HK\$2.42 per Share as quoted on the Stock Exchange on 21 April 2017, being the Last Trading Day;
- (b) a discount of approximately 43.70% to the average closing price of approximately HK\$2.38 per Share as quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 43.93% to the average closing price of approximately HK\$2.39 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 38.81% to the average closing price of approximately HK\$2.19 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (e) a discount of approximately 21.18% to the audited consolidated net asset value attributable to Shareholders as at 31 December 2016 of approximately HK\$1.70 (which was calculated by dividing the sum of the audited consolidated net asset value attributable to Shareholders as at 31 December 2016 (being the date to which the latest audited financial statements of the Company were made up) of approximately RMB650.43 million (equivalent to approximately HK\$734.99 million) by 432,948,000 Shares in issue as at the date of this joint announcement).

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period ended on the Last Trading Day were HK\$2.45 per Share on 6 April 2017 and HK\$1.12 per Share on 24 October and 28 October 2016, respectively.

Value of the Offer

As at the date of this joint announcement, there are 432,948,000 Shares in issue. Based on the Offer Price of HK\$1.34 per Offer Share, the entire issued share capital of the Company is valued at HK\$580,150,320 and the Offer Shares are valued at HK\$178,800,220. Assuming the Offer is accepted in full by the Independent Shareholders and based on 133,433,000 Offer Shares, the total amount of cash required to effect the Offer in full will be HK\$178,800,220.

Confirmation of financial resources

The Offeror shall finance and satisfy the consideration payable under the Share Purchase Agreement with the SPA Facility. The Offeror intends to finance and satisfy the consideration payable under the Offer in full with the Offer Facility.

Veda Capital, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for the Share Purchase Agreement and full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptance of the Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptance by the Independent Shareholder or if higher, the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Independent Shareholder who accepts the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholder who accepts the Offer. The Offeror will bear the buyer's ad valorem stamp duty.

Stamp duty and transfer fees (if any) resulting from acceptances of the Offer by Independent Shareholders whose Shares are traded on the Singapore Stock Exchange will be paid by the Offeror.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) (or such other date as may be set out in the Composite Document) of the date on which the duly completed acceptance of the Offer and the relevant documents of title in respect of such acceptance are received by the Offeror (or the branch share registrar and transfer office of the Company in Hong Kong, the share transfer agent of the Company in Singapore, or The Central Depository (Pte) Limited of Singapore) (as the case may be) to render each such acceptance complete and valid.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Veda Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The Offer will be in respect of securities of a company incorporated in Bermuda and will be subject to the procedural and disclosure requirements of Hong Kong and Singapore, which may be different from other jurisdictions.

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions). If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is incorporated in Bermuda with limited liability and its Shares are primarily listed on the Main Board of the Stock Exchange and secondarily listed on the Main Board of the Singapore Stock Exchange. A copy of this joint announcement will be made on SGXNET (Singapore Exchange Network) and available on the website of the Singapore Stock Exchange at www.sgx.com and the Offer will be extended to Independent Shareholders whose Shares are traded on the Singapore Stock Exchange.

The Group is principally engaged in production and trading of food products, breeding and sale of livestock, poultry and rabbits.

Set out below is a summary of certain audited consolidated financial information of the Company for the financial years ended 31 December 2015 and 31 December 2016 extracted from its annual reports for the years ended 31 December 2015 and 2016:

	Year ended 31 December 2015 <i>RMB'000</i>	Year ended 31 December 2016 <i>RMB'000</i>
Revenue	1,226,448	1,262,785
(Loss)/Profit before taxation	(20,743)	9,796
(Loss) for the year	(26,005)	7,549
	As at 31 December 2015 <i>RMB'000</i>	As at 31 December 2016 <i>RMB'000</i>
Consolidated net asset value attributable to owners of the Company	644,138	650,433

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the Cayman Islands with limited liability on 5 January 2015. As at the date of this joint announcement, the Offeror is wholly owned by 寧夏天元錳業有限公司 (transliterated as Ningxia Tianyuan Manganese Industry Co., Ltd) (“**Ningxia Tianyuan**”), a company incorporated in the PRC with limited liability, which is beneficially and ultimately owned as to approximately 99.62%, 0.19% and 0.19% by Mr. Jia Tianjiang (賈天將) (“**Mr. Jia**”), Ms. Dong Jufeng (東菊鳳) (“**Ms. Dong**”) and Ms. Zhu Fenglian (朱鳳蓮) (“**Ms. Zhu**”), respectively. The sole director of the Offeror is Ms. Jia Yan (賈彥), who is a niece of Mr. Jia. Ms. Dong, spouse of Mr. Jia, is the assistant to the chairman of the board of directors and the supervisor of Ningxia Tianyuan. Ms. Zhu is a business partner of Mr. Jia. Save as disclosed above, none of Ms. Dong and Ms. Zhu holds any other positions in Ningxia Tianyuan nor has any relationship with Mr. Jia.

Ningxia Tianyuan is principally engaged in processing of manganese minerals and other metal minerals and sale of electrolytic manganese and other processed metal minerals. Ningxia Tianyuan is a trans-regional, multi-industry private enterprise and the largest electrolytic manganese metal manufacturer in the world. Over the years, with the support from local government of district, city and province and related departments in the PRC, Ningxia Tianyuan wishes to build its brand and strive to achieve the strategic target of manganese manufacturer with international competitiveness.

Ningxia Tianyuan has an annual production capacity in electrolytic manganese metal of 500,000 tons, chromite metal of 300,000 tons, sulphuric acid of 200,000 tons, cement of 2,000,000 tons, restored manganese dioxide of 800,000 tons, treated harmless manganese metal residue of 2,000,000 tons. Ningxia Tianyuan was ranked 375th in the list of Top 500 Enterprises of China in 2015 issued by China Enterprise Confederation with a total revenue of RMB32.6 billion in the year ended 31 December 2015.

As at the date of this joint announcement, none of the Offeror and parties acting in concert with it owns any Shares, convertible securities, options, warrants or derivatives in the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and all of them are third parties independent of the Group and its connected persons.

Dealing and interests in the Company's securities

Save for the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement, none of the Offeror, its ultimate beneficial owners, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to 30 December 2016, being the date of the first Rule 3.7 Announcement and the period thereafter up to and including the date of this joint announcement.

As at the date of this joint announcement, the Offeror and parties acting in concert with it have not entered into any arrangements or contracts in relation to the derivatives in respect of securities in the Company nor have any of them borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this joint announcement, save for the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement, the Offeror and parties acting in concert with it do not hold, own or control any Shares, options, derivatives, warrants or other securities which may confer rights to the Offeror and parties acting in concert with it to subscribe for, convert or exchange into Shares.

Shareholding structure of the Company

The table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after Completion (assuming there is no change in the issued share capital or shareholding structure of the Company).

	(i) As at the date of this joint announcement		(ii) Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
The Vendors				
– Group A Vendors				
Mr. Gao Sishi and parties acting in concert with him	166,740,000	38.51	–	–
Mr. Cheng Xiutai and parties acting in concert with him	33,324,000	7.70	–	–
Mr. Hu Wenbo and parties acting in concert with him	15,026,000	3.47	–	–
Mr. Gao Yanxu and parties acting in concert with him	14,310,000	3.31	–	–
Mr. Kang Peiqiang and parties acting in concert with him	8,910,000	2.06	–	–
Mr. Zhang Qi and parties acting in concert with him	8,910,000	2.06	–	–

	(i) As at the date of this joint announcement		(ii) Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
– Group B Vendor				
Zensho Holdings Co., Ltd. and parties acting in concert				
with it	52,295,000	12.08	–	–
Sub-total	299,515,000	69.18	–	–
 The Offeror and parties acting in concert with it	–	–	299,515,000	69.18
Independent Shareholders	133,433,000	30.82	133,433,000	30.82
 Total	432,948,000	100	432,948,000	100

Note: Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Other arrangements

The Offeror confirms that as at the date of this joint announcement:

- (i) the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;
- (iii) save for the SPA Facility and the Offer Facility, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or has direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

- (v) other than the Share Purchase Agreement, the SPA Facility and the Offer Facility, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners, and/or any person acting in concert with any of them has borrowed or lent.

Pursuant to the arrangements under the SPA Facility and the Offer Facility, the Offeror shall charge all the Sale Shares and other securities unrelated to the Company (the “**Charged Shares**”) in favour of Prudential Brokerage if the SPA Facility and the Offer Facility are drawn by the Offeror to satisfy the consideration payable under the Share Purchase Agreement and under the Offer in full. Such arrangements will not result in a change of the voting rights of the Company before the enforcement of the relevant charges. As at the date of this joint announcement, the possibility of the enforcement of any relevant charges is low. The Charged Shares shall be released to the Offeror immediately upon full repayment of all the outstanding amounts of the SPA Facility and the Offer Facility and the interests thereon.

The Vendors, the Offeror and Mr. Jia confirmed that:

- (i) other than the consideration payable to the Vendors under the Share Purchase Agreement, there is no other consideration, compensation or benefits in whatever form provided by the Offeror or its concert parties to each of the Vendors or their respective concert parties; and
- (ii) there is no special deal under Rule 25 of the Takeovers Code between the Offeror and its concert parties on one hand and the Vendors and their respective concert parties on the other hand.

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror that the Group will continue with its existing principal businesses after the close of the Offer and will maintain the listing status of the Company on the Stock Exchange and the Singapore Stock Exchange. The existing principal business of the Group includes production and trading of food products, breeding and sale of livestock, poultry and rabbits. The Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules as and when appropriate.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group (save for changes in the composition of the board of directors of the Group); or (ii) re-deploy the fixed assets of the Group other than those in its ordinary and usual course of business.

Proposed change of Board composition

As at the date of this joint announcement, the Board comprises Mr. An Fengjun and Mr. Gao Yanxu as executive Directors, Mr. Gao Sishi, Mr. Zhang Qi and Mr. Naoki Yamada as non-executive Directors, and Mr. Chong Soo Hoon, Sean, Mr. Lau Choon Hoong and Mr. Yu Chung Leung as independent non-executive Directors.

Save for the executive Directors Mr. An Fengjun and Mr. Gao Yanxu and the independent non-executive Director Mr. Lau Choon Hoong, letters of resignation of Mr. Gao Sishi, Mr. Zhang Qi and Mr. Naoki Yamada as non-executive Directors and Mr. Chong Soo Hoon, Sean, and Mr. Yu Chung Leung as the independent non-executive Directors, to be effective from a date no earlier than the earliest date as permitted under the Takeovers Code and the Listing Rules, will be delivered to the Offeror upon Completion.

The Offeror proposes to nominate new Directors to the Board subject to compliance with all the applicable regulatory requirements, including the Takeovers Code and the Listing Rules. Following the despatch of the Composite Document, it is proposed that Mr. Luo Zhenwu, Ms. Dong Yutong and Mr. Wang Yuan will be appointed as executive Directors and Mr. Song Xuejun and Mr. Lu Zhiwen as independent non-executive Directors.

Set out below are the biographic details of the above-mentioned nominees for appointment as executive Directors and independent non-executive Directors. Further details required by Rule 13.51(2) of the Listing Rules will be announced after the appointment takes effect:

Mr. Luo Zhenwu (羅貞伍先生)

Mr. Luo Zhenwu, aged 39, graduated from the Central University of Finance and Economics (中央財經大學) in 2000 with a bachelor's degree in finance. He has been studying a master's degree in accounting at Peking University (北京大學) from 2014. He is accredited the intermediate accountant qualification by the Ministry of Finance of the PRC in 2015.

Mr. Luo has served as expatriate finance manager and regional finance director of Guangzhou Automobile Group Business Co., Ltd. (廣州汽車集團商貿有限公司), finance director of Beijing Jintai Yuande Asset Management Co., Ltd. (北京錦泰遠德資產管理有限公司), and finance director of Hangzhou Changjiang Automobile Holdings Co., Ltd. (杭州長江汽車控股有限公司).

Save as disclosed above, Mr. Luo (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Luo does not hold any Share interests within the meaning of Part XV of the SFO.

Ms. Dong Yutong (董雨桐女士)

Ms. Dong Yutong, aged 25, graduated from Beijing City University (北京城市學院) in 2014 with a bachelor's degree in economics specialized in international economics and trade. She has then obtained a Master of Commerce (Finance) at The University of Sydney in 2016. Ms. Dong has passed the licensing examinations for securities (on securities market fundamental knowledge and on issuance and underwriting of securities) organized by the Securities Association of China (中國證券業協會) in 2015. Ms. Dong has also passed the licensing examinations for funds (on private equity investment funds and on law and regulations of funds, professional ethics and industrial standard and practices) organized by the Asset Management Association of China (中國證券投資基金業協會) in 2017. Ms. Dong currently serves as the general manager of Tianyuan Hongsheng Consultancy Co., Ltd. (天元弘盛資訊諮詢有限公司).

Save as disclosed above, Ms. Dong (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Ms. Dong does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. Wang Yuan (王沅先生)

Mr. Wang Yuan, aged 54, graduated University of International Business and Economics (對外經濟貿易大學) in 2006 with a master's degree in business administration and management. He obtained the Certificate of Accounting Professional issued by National Government Offices Administration in 1997 and the senior accountant qualification accredited by Sinosteel Corporation (中國中鋼集團公司) in 2005.

Mr. Wang served as an accountant in the finance department of Chemistry Unit Heavy Machinery Corporation (化工部重型機械公司), principal staff member of China Metallurgical Import and Export Corporation (中國冶金進出口公司) and general manager of the finance department of Sinosteel Corporation. He has served as the assistant to the chairman of the board of directors of Ningxia Tianyuan since 2015, responsible for overseeing the management of regional offices of the group in Beijing, Tianjin, Shanghai, Shenzhen and other cities.

Save as disclosed above, Mr. Wang (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Wang does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. Song Xuejun (宋學軍先生)

Mr. Song Xuejun, aged 54, graduated from Xuzhou Medical University (徐州醫科大學) in 1986 with a bachelor's degree in medicine and obtained his master's degree in medicine specialized in anaesthesiology from the same university in 1992. He further obtained his doctorate's degree in science specialized in neurobiology in 1995 from Institute of Neuroscience, Chinese Academy of Sciences (中國科學院神經科學研究所).

Mr. Song served as the senior scientist/assistant professor and head of Laboratory Neurobiology in from 1999 to 2000, senior scientist/associate professor, director of Section of Basic Science Research and associate director of Parker Research Institute from 2000 to 2003 and professor, director of Section of Basic Science Research and associate director of Parker Research Institute from 2013 to 2016 at Parker University. He currently serves as professor, PhD tutor, organizing committee member of the Faculty of Medicine and head of the Center for Pain Medicine at Southern University of Science and Technology (南方科技大學), and as professor and PhD tutor at Peking University (北京大學).

Save as disclosed above, Mr. Song (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Song does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. Lu Zhiwen (盧志文先生)

Mr. Lu Zhiwen, aged 53, graduated from Huaiyin Normal University (淮陰師範學院) (formerly known as “Huaiyin Higher Normal School (淮陰師範專科學校)”) specialized in chemistry study in 1983. He then participated and graduated from National Secondary and Primary School Thousand Core School Principals Study Class (全國中小學千名骨幹校長研修班) organized by the National Training Center for Secondary Principals under the Ministry of Education of the PRC in 2000. He later obtained the degree of Executive Master of Business Administration from The University of Texas at Arlington in 2006.

Mr. Lu served as a member of the sixth session council of the education administration branch of The Chinese Society of Education (中國教育學會教育管理分會第六屆理事會), honorary supervisor of Beichuan High School Curriculum Reform Research Centre (北川中學課改研發中心), the chairman of Jiangsu Charming Education Foundation (江蘇昌明教育基金會), the principal of Baoying High School of Jiangsu Province (江蘇省寶應中學). He currently serves as the headmaster of Xiangyu Education Group (翔宇教育集團) and the principal of Wenzhou Xiangyu Middle School (溫州翔宇中學). He also serves as the standing committee member of Chinese Society for Taoxingzhi Studies (中國陶行知研究會), vice-president of Chinese Lantern Riddle Academic Committee (中華燈謎學術委員會), dean of Zhejiang Wenzhou Institute of Private Education (浙江省溫州民辦教育研究院) and the vice-chairman of the first session council of China Education Development Strategy Association's Private Education Professional Committee (中國教育發展戰略學會民辦教育專業委員會第一屆理事會).

Save as disclosed above, Mr. Lu (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Lu does not hold any Share interests within the meaning of Part XV of the SFO.

Under the Share Purchase Agreement, the Vendors have agreed to procure that Board resolutions be passed to approve the appointment of such persons as may be nominated by the Offeror as new Directors, such appointment to take effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. It is proposed that other new Directors will be nominated to the Board. However, the proposed changes have not yet been finalised as at the date of this joint announcement and a further announcement will be made in respect of changes to the composition to the Board.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange and on the Singapore Stock Exchange after the close of the Offer. In the event that the public float of the Company falls below 25% following the close of the Offer, the director of the Offeror and the new Directors (who will be nominated by the Offeror and appointed as Directors) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares following the close of the Offer.

If, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange may exercise its discretion to suspend trading in the Shares. In such event, trading in the Shares on the Singapore Stock Exchange may also be suspended.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding, owning or controlling 5% or more of any class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all independent non-executive Directors, namely, Mr. Chong Soo Hoon, Sean, Mr. Lau Choon Hoong and Mr. Yu Chung Leung, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Among the non-executive Directors, Mr. Gao Sishi and Mr. Zhang Qi are the Group A Vendors and Mr. Naoki Yamada is the chairman and general manager of a subsidiary of the Group B Vendor and therefore related to the Group B Vendor. Accordingly, they are not considered independent for the purpose of advising the Independent Shareholders in respect of the Offer.

TC Capital International Limited has been appointed by the Company with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is, or is not, fair and reasonable and as to acceptance of the Offer.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the relevant form(s) of acceptance and transfer, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. If Completion does not take place within the 21-day period, the Offeror will apply to the Executive for a waiver pursuant to Note 2 to Rule 8.2 of the Takeovers Code.

If the Offer materializes, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant form(s) of acceptance and transfer, will be issued and despatched by the Offeror and the Company jointly to the Shareholders (including those whose Shares are traded on the Singapore Stock Exchange) in accordance with the Takeovers Code, within 21 days from the date of this joint announcement or such later date as the Executive may approve. The Independent Shareholders are encouraged to read the Composite Document carefully, including the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the letter of recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer, before deciding whether or not to accept the Offer.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange and on the Singapore Stock Exchange was halted with effect from 9:00 a.m. on 24 April 2017 pending the release of this joint announcement and application has been made by the Company for resumption of trading in the Shares on the Stock Exchange and on the Singapore Stock Exchange with effect from 9:00 a.m. on 2 May 2017.

WARNING

The making of the Offer is subject to Completion taking place, which in turn is conditional on the fulfillment of the conditions precedent or waiver thereof as appropriate. Accordingly, the Offer may or may not be made, and the issue of this joint announcement does not imply that the Offer will be made or will be completed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holidays and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed commercial banks in Hong Kong are open for business

“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)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement
“Completion Date”	the date on which Completion takes place, being a date within five Business Days immediately after all conditions precedent are fulfilled or waived in accordance with the terms and conditions of the Share Purchase Agreement (or such other date as the parties thereto shall agree in writing)
“Composite Document”	the composite offer and response document proposed to be jointly issued by or on behalf of the Offeror and the Company to the Shareholders in accordance with the Takeovers Code in respect of the Offer containing, among other things, the details of the Offer (accompanied by the acceptance and transfer forms) and the respective letters of advice from the Independent Financial Adviser and the Independent Board Committee
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deposit”	the deposit of HK\$10,000,000 which has been paid by the Offeror to the Offeror’s solicitors upon signing of a memorandum of understanding dated 28 December 2016 in respect of the sale and purchase of the Group A Sale Shares entered into among the Group A Vendors and the Offeror

“Director(s)”	the director(s) of the Company
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest or other third party right, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback or trust arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Group A Sale Shares”	an aggregate of 247,220,000 Shares, legally and beneficially owned by the Group A Vendors immediately before Completion, representing approximately 57.10% of the entire issued share capital of the Company as at the date of this joint announcement
“Group A Vendors”	collectively, Mr. Gao Sishi, Mr. Cheng Xiutai, Mr. Hu Wenbo, Mr. Gao Yanxu, Mr. Kang Peiqiang and Mr. Zhang Qi
“Group B Sale Shares”	being 52,295,000 Shares, legally and beneficially owned by the Group B Vendor immediately before Completion, representing approximately 12.08% of the entire issued share capital of the Company as at the date of this joint announcement
“Group B Vendor”	Zensho Holdings Co., Ltd., a limited company incorporated under the laws of Japan whose shares are listed and traded on the Tokyo Stock Exchange (stock code: 7550)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	TC Capital International Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, who has been appointed as the independent financial adviser with the approval by the Independent Board Committee to advise the Independent Board Committee in respect of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	21 April 2017, being the last trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange and on the Singapore Stock Exchange pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5:00 p.m. on the date which falls on the expiry of three months from the date of the Share Purchase Agreement or such other date as the Vendors and the Offeror may agree in writing
“Offer”	the possible mandatory unconditional cash offer to be made by Prudential Brokerage for and on behalf of the Offeror for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code

“Offer Facility”	a loan facility of up to HK\$178,800,220 granted by Prudential Brokerage to the Offeror to finance the amount payable upon acceptance of the Offer
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and has commenced from 30 December 2016, being the date of the first Rule 3.7 Announcement
“Offer Price”	the price at which the Offer will be made, being HK\$1.34 per Offer Share
“Offer Share(s)”	Share(s) other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it
“Offeror”	China Tian Yuan Manganese Limited, a company incorporated in the Cayman Islands with limited liability on 5 January 2015
“Overseas Shareholder(s)”	Independent Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this joint announcement
“Prudential Brokerage”	Prudential Brokerage Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

“Rule 3.7 Announcements”	the announcements issued by the Company dated 30 December 2016, 27 January 2017, 27 February 2017, 27 March 2017 and 18 April 2017 in relation to the possible sale by the Vendors of their respective shareholdings in the Company to the Offeror
“Sale Shares”	the aggregate of Group A Sale Shares and the Group B Sale Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with nominal value of HK\$0.25 each in the share capital of the Company
“Share Purchase Agreement”	the share purchase agreement dated 21 April 2017 entered into among the Vendors and the Offeror in respect of the Sale Shares
“Shareholder(s)”	holder(s) of Share(s)
“Singapore Stock Exchange”	The Singapore Exchange Securities Trading Limited
“SPA Facility”	a loan facility of up to HK\$401,350,100 granted by Prudential Brokerage to the Offeror to finance the consideration payable under the Share Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Veda Capital”	Veda Capital Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, which is the financial adviser to the Offeror in respect of the Offer
“Vendors”	collectively, Group A Vendors and Group B Vendor
“%”	per cent.

By Order of the Sole Director of
China Tian Yuan Manganese Limited
Jia Yan
Sole Director

By Order of the Board
China Kangda Food Company Limited
Gao Yanxu
Executive Director

Hong Kong, 2 May 2017

As at the date of this joint announcement, the executive Directors of the Company are Mr. An Fengjun (Chief Executive Officer) and Mr. Gao Yanxu; the non-executive Directors of the Company are Mr. Gao Sishi (Chairman), Mr. Zhang Qi and Mr. Naoki Yamada; and the independent non-executive Directors of the Company are Mr. Chong Soo Hoon, Sean, Mr. Lau Choon Hoong and Mr. Yu Chung Leung.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, its associates and/or parties acting in concert with any of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Offeror, its associates and/or parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, the Offeror is owned as to approximately 99.62%, 0.19% and 0.19% by Mr. Jia Tianjiang (賈天將), Ms. Dong Jufeng (東菊鳳) and Ms. Zhu Fenglian (朱鳳蓮), respectively. The sole director of the Offeror is Ms. Jia Yan.

The sole director of the Offeror, Mr. Jia Tianjiang (賈天將), Ms. Dong Jufeng (東菊鳳) and Ms. Zhu Fenglian (朱鳳蓮) jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, its associates and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the Group, its associates and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.