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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 BUSINESS DEVELOPMENT UPDATE

This announcement is made by China Kangda Food Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

The Board (the “**Board**”) of directors (each a “**Director**”) of the Company is exploring suitable opportunities to develop business in the retail healthcare and/or pharmaceutical businesses (the “**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. Based on preliminary assessment, the Group plans to open or acquire pharmacies (the “**Pharmacies**”) in developed cities in the PRC.

Moreover, the Group plans to engage a team of professional medical personnel to ensure the consistency of the operation and services to be provided by the Pharmacies. A management company in partnership with independent third parties (the “**Management Company**”) may also be established to manage and operate the Pharmacies, which will receive certain management fee in return.

The team of professional medical personnel engaged by the Group will manage the Pharmacies by, among other things, (i) ensuring effective and efficient management; (ii) increasing customer loyalty through the implementation of marketing strategies to increase the sales and selling price; (iii) providing training to the sales personnel to attract more customers; and (iv) managing the costs of healthcare products and medicine. The Board believes that the formation of the Management Company will greatly augment the Group’s capability as to those aspects.

The Board has been actively exploring other business opportunities in order to strengthen the existing business of the Group and to explore new markets with significant growth potential. The Board expects that the development of the Business will (i) supplement and expand the existing sales channels for the biological products manufactured by the Group, such as Campylobacter (彎曲菌), which is the by-product from the rabbit blood, Rabbit Brain Powder (兔腦粉) and Ferment Nutrition (酵素); (ii) allow the Group to venture into the retail healthcare and/or pharmaceutical industry which has shown strong growth potential; and

(iii)enable the Group to enhance its business portfolio and acquire an additional source of income.

Notwithstanding the Group's intention to explore the Business, the existing principal business of the Group in the production and trading of food products in addition to the breeding and sales of livestock, poultry and rabbits, will continue to be the core business of the Group.

The Board wishes to emphasise that no definitive agreement in relation to the Business has been entered into as at the date of this announcement. As such, the Business may or may not proceed. Further announcement regarding the Business will be made by the Company as and when appropriate in compliance with the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited. Potential investors of the Company and the Shareholders are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 29 August 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.