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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of the Company published on the website of the Stock Exchange on 14 December 2016 in respect of the disposal of the Chicken Farm Assets and the Rabbit Farm Assets which constitute a connected transaction under the Listing Rules and an interested person transaction under the Listing Manual. Capitalized terms used herein shall have the same meanings as those defined in the Announcement, unless the context requires otherwise.

The Company would like to supplement the following information in respect of the Independent Valuation Reports:-

- (a) The Independent Valuation Reports which was prepared by Access Professional Services Limited (the “**Independent Professional Valuer**”) were prepared based on market value, which is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
- (b) The valuations in respect of the Chicken Farm Assets and the Rabbit Farm Assets have been made on the assumption that the owner sells the assets being appraised in the market in its existing conditions without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the assets.
- (c) In assessing the fairness and reasonableness of the consideration, the Board has reviewed the Independent Valuation Reports and discussed the basis and assumptions used in arriving at the valuations of the Chicken Farm Assets and Rabbit Farm Assets. The Board also understood that the valuations performed by the Independent Professional Valuer was based on market value.
- (d) The Independent Professional Valuer confirmed that (i) it is an independent third party to the parties to the Agreements and their respective core connected persons; and (ii) the personnel in charge of the valuations has over ten years’ experience in the valuation of properties and assets in the PRC. The Board has also reviewed the terms of the engagement letter and noted that the scope of work is appropriate for arriving at the

opinion of market value on the Chicken Farm Assets and the Rabbit Farm Assets and the Board is unaware that there are any limitations on the relevant scope of work. Nothing has come to the Board's attention that parties to the Agreements had made formal or informal representation to the Independent Professional Valuer, that contravenes with the Board's understanding of the information, to a material extent, as set out in the Announcement.

- (e) Based the Board's review on the Independent Valuation Reports, and having considered that (i) the principle bases and assumptions used in arriving at the valuations, and (ii) the qualification, expertise and experiences of the Independent Professional Valuer, we consider that there is no substantial factor identified which may cause the Board to doubt the fairness and reasonableness of the basis used in arriving at the valuations. As such, the Board considers that the valuations are fair and reasonable.

Save as disclosed herein, all other contents of both the English and Chinese versions of the Announcement remain unchanged.

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

Qingdao, PRC, 28 December 2016

As at the date of this 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.

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