
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Acceptance Form(s) or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Kangda Food Company Limited**, you should at once hand this Composite Document and the accompanying Acceptance Form(s) to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Acceptance Form(s), make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Acceptance Form(s).

This Composite Document should be read in conjunction with the accompanying Acceptance Form(s), the contents of which form part of the terms and conditions of the Offer.

**Hong Kong Sheng Yuan Holding
Co., Limited**

(Incorporated in Hong Kong 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 (Primary Listing): 834)

(Singapore Stock Code (Secondary Listing): P74)

**COMPOSITE DOCUMENT RELATING TO
UNCONDITIONAL MANDATORY CASH OFFER BY
DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF
THE OFFEROR FOR ALL THE ISSUED SHARES
OF THE COMPANY (OTHER THAN THOSE ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY THE OFFEROR AND
THE OFFEROR CONCERT PARTIES)**

Joint Financial Advisers to the Offeror



DL Securities (HK) Limited



uSmart Securities Limited

Independent Financial Adviser to the Independent Board Committee



Alpha Financial Group Limited

Unless the context otherwise requires, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from DL Securities containing, among other things, details of the terms of the Offer, is set out on pages 10 to 19 of this Composite Document.

A letter from the Board is set out on pages 20 to 26 of this Composite Document. A letter from the Independent Board Committee is set out on pages 27 to 28 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages IFA-1 to IFA-30 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and in the accompanying Acceptance Form(s). Acceptance Form(s) of the Offer must be received by the Registrar HK, Registrar SG and/or CDP by no later than 4:00 p.m. on Friday, 19 December 2025 (Hong Kong time) (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Acceptance Form(s) to any jurisdiction outside Hong Kong and Singapore should read the section headed "IMPORTANT NOTICE" in this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder who wish to accept the Offer to satisfy himself, herself or itself 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, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, or regulatory and/or legal requirements and the payment of any transfer or other taxes or other required payments due from such Overseas Shareholder in respect of such jurisdictions. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document will remain on the websites of the Stock Exchange at www.hkexnews.hk, the SGX-ST at www.sgx.com and the Company at www.kangdafood.com as long as the Offer remains open.

28 November 2025

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EXPECTED TIMETABLE

*The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. **All time and date references contained in this Composite Document and the accompanying Acceptance Form(s) refer to Hong Kong and Singapore time and dates.***

Event(s)	Time & Date
Despatch date of this Composite Document and the accompanying Acceptance Form(s) and commencement date of the Offer (<i>Note 1</i>)	Friday, 28 November 2025
Offer opens for acceptance (<i>Note 1</i>)	Friday, 28 November 2025
Latest time and date for acceptance of the Offer (<i>Notes 2, 3 and 5</i>)	by 4:00 p.m. on Friday, 19 December 2025
Closing Date (<i>Notes 3 and 5</i>)	Friday, 19 December 2025
Announcement of the results of the Offer (or its extension or revision, if any) on the website of the Stock Exchange and the SGX-ST (<i>Notes 3 and 5</i>)	no later than 7:00 p.m. on Friday, 19 December 2025
Latest date for posting of remittances in respect of valid acceptances received under the Offer (<i>Notes 4 and 5</i>)	Friday, 2 January 2026

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror decides to revise or extend the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed “8. Right of Withdrawal” in Appendix I to this Composite Document.
2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in the paragraph headed “1. General Procedures for Acceptance of the Offer for Hong Kong Shareholders” and “2. General Procedures for Acceptance of the Offer for Singapore Shareholders” in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

EXPECTED TIMETABLE

3. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance of the Offer is 4:00 p.m. on Friday, 19 December 2025 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange (with a copy made available on the website of the SGX-ST) no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to revise or extend the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days after the date of the revised offer document(s) and shall not close earlier than the Closing Date.
4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar HK or the Registrar SG (as the case may be) of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.
5. If there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal" or "extreme conditions" as announced by the Hong Kong Government:
 - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will remain on the same Business Day; or
 - (b) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will be rescheduled to the following Business Day which does not have any of those warnings or condition in force in Hong Kong at any local time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

NOTICE TO THE OVERSEAS SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong and Singapore may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong and Singapore should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek legal advice in respect of the Offer.

It is the responsibility of any such Overseas Shareholders who wishes to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Shareholders in respect of the acceptance of the Offer in such jurisdictions.

Any acceptance by the Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be lawful, valid and binding in accordance with all applicable laws. Such Overseas Shareholders should consult their respective professional advisers if in doubt.

The Offeror and the Offeror Concert Parties, the Company, DL Securities, uSmart Securities, the Independent Financial Adviser or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes or duties as such persons may be required to pay. Please see the paragraphs headed “Overseas Shareholders” in the “Letter from DL Securities” and “9. Overseas Shareholders” in Appendix I to this Composite Document for further details.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules, and/or the Takeovers Code.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acceptance Form(s)”	the form(s) of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“Acquisition”	the sale and purchase of the Sale Shares by the Offeror from the Seller in accordance with the terms and conditions of the Share Purchase Agreement
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open in Hong Kong to the general public for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCY”	CDP’s currency conversion service
“CDP”	The Central Depository (Pte) Limited of Singapore
“Closing Date”	Friday, 19 December 2025, being the closing date of the Offer, which is at least 21 days after the date of this Composite Document, or if the Offer is extended, any subsequent closing date of the Offer as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
“Company”	China Kangda Food Company Limited (中國康大食品有限公司), a company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and the issued Shares of which are primary listed on the Main Board of the Stock Exchange (stock code: 834) and secondary listed in the Main Board of the SGX-ST (stock code: P74)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement

DEFINITIONS

“Completion Date”	the First Batch Completion Date or the Second Batch Completion Date, as the case may be
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Independent Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Acceptance Form(s)) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the purchase price for the Acquisition (being HK\$65,642,637.49 in aggregate and HK\$0.265 per Share)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“DCS”	CDP’s direct crediting service
“DL Securities”	DL Securities (HK) Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in respect of the Acquisition and the Offer
“Director(s)”	the director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“FAA SG”	the form of acceptance and authorisation in respect of the Offer accompanying this Composite Document, as applicable to Singapore Shareholders whose Shares are deposited with CDP
“FAT SG”	the form of acceptance and transfer in respect of the Offer accompanying this Composite Document, as applicable to Singapore Shareholders whose Shares are registered in the register of members of the Company maintained by Registrar SG but are not deposited with CDP
“First Batch Completion Date”	the date of completion of the transfer of the First Batch Sale Shares

DEFINITIONS

“First Batch Sale Shares”	the portion of the Sale Shares comprising 240,748,400 Shares, which represent approximately 53.15% of the total issued Shares as at the Latest Practicable Date and are currently listed on the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board (comprising of independent non-executive Directors, namely Mr. Hua Shi, Ms. Li Ying and Mr. Wang Cheng) which has been established to advise the Independent Shareholders in connection with the Offer and as to the acceptance of the Offer
“Independent Financial Adviser”	Alpha Financial Group Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and the Offeror Concert Parties
“Joint Announcement”	the announcement jointly published by the Offeror and the Company dated 23 October 2025 in relation to, among other things, the Offer pursuant to Rule 3.5 of the Takeovers Code
“Last Trading Day”	17 October 2025, being the last full trading day of the Shares on the Stock Exchange before the halt of trading in the Shares
“Latest Practicable Date”	25 November 2025, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Main Board”	the Main Board of the Stock Exchange
“Mr. Gao”	Mr. Gao Sishi (高思詩), the sole legal and beneficial owner and the sole director of the Offeror, and a party acting in concert with the Offeror
“Mr. Wu”	Mr. Wu Jiming (吳繼明), the ultimate beneficial owner of the Seller
“Offer”	the mandatory unconditional cash offer to be made by DL Securities for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
“Offeror”	Hong Kong Sheng Yuan Holding Co., Limited (香港盛源控股有限公司), a company incorporated in Hong Kong with limited liability, which is legally, beneficially and ultimately wholly owned by Mr. Gao
“Offeror Concert Parties”	any parties acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code
“Offer Period”	has the meaning ascribed to it under the Takeovers Code which commenced on 23 October 2025 (i.e. the date of the Joint Announcement) and ends on the date on which the Offer closes or lapses
“Offer Price”	the price of HK\$0.265 per Offer Share at which the Offer will be made in cash
“Offer Share(s)”	all of the issued Share(s), other than those already owned and/or agreed to be acquired by the Offeror and the Offeror Concert Parties
“Overseas Shareholder(s)”	Independent Shareholder(s) whose addresses, as shown on the register of members of the Company (including the register of members of the Company maintained by Registrar SG or, as the case may be, in the records of CDP), are outside Hong Kong or Singapore (as the case may be)
“Registrar HK”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

DEFINITIONS

“Registrar SG”	B.A.C.S. Private Limited, the share registrar and the transfer office of the Company in Singapore located at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896
“Relevant Period”	the period from 23 April 2025, being the date falling six months preceding the commencement of the Offer Period (i.e. 23 October 2025), up to and including the Latest Practicable Date
“Sale Share(s)”	the 247,708,066 Shares acquired by the Offeror from the Seller pursuant to the Share Purchase Agreement, representing approximately 54.69% of the total issued Shares as at the Latest Practicable Date
“Second Batch Sale Shares”	the remaining portion of the Sale Shares comprising 6,959,666 Shares, which represent approximately 1.54% of the total issued Shares as at the Latest Practicable Date and are currently listed on the SGX-ST
“Second Batch Completion Date”	the date of completion of the transfer of the Second Batch Sale Shares
“Seller”	Zenith Hope Limited, a company incorporated in the British Virgin Islands with limited liability, who held approximately 54.69% of the total number of issued Shares immediately before Completion. Immediately after Completion for all of the Sale Shares, the Seller shall cease to hold any issued Share
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX ST”	The Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Purchase Agreement”	the sale and purchase agreement dated 18 October 2025 entered into between the Offeror and the Seller in relation to the sale and purchase of the 247,708,066 Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“uSmart Securities”	uSmart Securities Limited, a corporation licensed by the SFC 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, being one of the joint financial advisers to the Offeror in respect of the Acquisition and the Offer
“%”	per cent

* *For identification purpose only*

LETTER FROM DL SECURITIES



29/F, Vertical Square,
28 Heung Yip Road,
Wong Chuk Hang, Hong Kong

28 November 2025

To the Independent Shareholders:

Dear Sir or Madam

**UNCONDITIONAL MANDATORY CASH OFFER BY
DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF
THE OFFEROR FOR ALL THE ISSUED SHARES
OF THE COMPANY (OTHER THAN THOSE ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY THE OFFEROR AND
THE OFFEROR CONCERT PARTIES)**

INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Offeror and the Company dated 23 October 2025 in relation to, among other things, the Acquisition and the Offer.

On 18 October 2025, the Seller (as vendor) and the Offeror (as purchaser) entered into the Share Purchase Agreement pursuant to which the Seller has conditionally agreed to sell and the Offeror has conditionally agreed to acquire the Sale Shares, being 247,708,066 Shares, representing approximately 54.69% of the total issued Shares and the Seller's entire shareholding in the Company as at the date of the Share Purchase Agreement, for a total cash consideration of HK\$65,642,637.49 (equivalent to HK\$0.265 per Sale Share). The aggregate Consideration was determined after arm's length negotiation between the Seller and the Offeror, after taking into account, among others, (i) the business and the historical financial performance and financial position of the Group; and (ii) the Company's historical liquidity and share prices performance traded on the Stock Exchange.

Completion is conditional upon the fulfilment or waiver (if applicable) of the conditions precedent as set out in the Share Purchase Agreement and described in the section headed "Conditions Precedent to Completion" of the Joint Announcement. The completion of the sale and purchase of the First Batch Sale Shares took place on 28 October 2025. As at the Latest Practicable Date, the migration of the Second Batch Sale Shares from the Singapore Central Depository register to the Hong Kong share registrar has been completed and the Second Batch Sale Shares are in the process of being deposited into CCASS to facilitate completion. The completion of the sale and purchase of the Second Batch Sale Shares is expected to take place on or before 19 December 2025 (which has been agreed in writing by the Vendor and the Offeror).

Immediately prior to Completion of the sale and purchase of the First Batch Sale Shares, none of the Offeror, the ultimate beneficial owner of the Offeror and Offeror Concert Parties held any Shares. Immediately upon Completion of the sale and purchase of the First Batch Sale Shares, the Offeror will be interested in a total of 240,748,400 Shares, representing approximately

LETTER FROM DL SECURITIES

53.15% of the total issued Shares. Immediately upon Completion for all of the Sale Shares (i.e. First Batch Sale Shares and Second Batch Sale Shares), the Offeror will be interested in 247,708,066 Shares, representing approximately 54.69% of the total issued Shares.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion for the sale and purchase of the First Batch Sales Shares, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and the Offeror Concert Parties). For the avoidance of doubt, the obligation of the Offeror to make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code is not subject to the Completion for the sale and purchase of the Second Batch Sale Shares. Further, as the Company's primary listing is not on the SGX-ST and the Company is not a Singapore incorporated public company, the Singapore Code on Takeovers and Mergers will not apply to this Offer. DL Securities is, on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the terms set out in this Composite Document.

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offer, the information of the Offeror and the intention of the Offeror in relation to the Group. Further details of the terms and the procedures of acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Acceptance Form(s).

The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser", the accompanying Acceptance Form(s) and the appendices which form part of this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

THE OFFER

DL Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share HK\$0.265 in cash

The Offer Price of HK\$0.265 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the 247,708,066 Sale Shares under the Share Purchase Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to 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 this Composite Document.

The Offer is unconditional in all respects when made.

The Offeror confirms that the Offer Price is final and will not be increased.

LETTER FROM DL SECURITIES

Immediately following Completion of the sale and purchase of the First Batch Sale Shares and as at the Latest Practicable Date, the Company had 452,948,000 Shares in issue, of which 240,748,400 Shares were held by the Offeror and Offeror Concert Parties (representing 53.15% of the total issued share capital of the Company). Immediately upon Completion for all of the Sale Shares, the Offeror will be interested in 247,708,066 Shares, representing approximately 54.69% of the total issued Shares.

As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the Shares.

The Board confirms that, as at the Latest Practicable Date, (i) the Company had not declared any dividend or other distribution which remained unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offer. If, after the date of despatch of this Composite Document, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror will reduce the Offer Price by an amount equal to that of such dividend or other distribution received or receivable by the Shareholders pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code.

Further details of the terms of the Offer and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Acceptance Form(s).

Comparison of value of the Offer Price

The Offer Price of HK\$0.265 per Offer Share represents:

- (i) a discount of approximately 46.46% to the closing price of HK\$0.495 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 16.23% over the closing price as quoted on the Stock Exchange on the Last Trading Day of HK\$0.228 per Share;
- (iii) a premium of approximately 16.74% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day of HK\$0.227 per Share;
- (iv) a premium of approximately 15.72% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Last Trading Day of HK\$0.229 per Share;
- (v) a premium of approximately 17.78% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) trading days up to and including the Last Trading Day of HK\$0.225 per Share;
- (vi) a discount of approximately 78.85% to the audited consolidated net asset value attributable to Shareholders of approximately HK\$1.253 per Share, based on the audited consolidated net assets attributable to Shareholders as at 31 December 2024 at the central parity rate of RMB to HK\$ as at 31 December 2024 as announced by the People's Bank of China and the number of Shares in issue as at the Latest Practicable Date; and

LETTER FROM DL SECURITIES

- (vii) a discount of approximately 79.12% to the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$1.269 per Share, based on the unaudited consolidated net assets attributable to Shareholders as at 30 June 2025 at the central parity rate of RMB to HK\$ as at 30 June 2025 as announced by the People's Bank of China and the number of Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.660 per Share on 27 October 2025 and 6 November 2025 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.145 per Share on 23 April 2025.

Value of the Offer

As at the Latest Practicable Date, the Company had 452,948,000 Shares in issue. On the basis of the Offer Price being HK\$0.265 per Offer Share, the total issued share capital of the Company would be valued at HK\$120,031,220.00.

Upon Completion and as at the Latest Practicable Date, assuming no new Shares are issued on or before the Closing Date, based on the Offer Price of HK\$0.265 per Offer Share and 205,239,934 Offer Shares, the maximum consideration for the Offer would be HK\$54,388,582.51.

Confirmation of financial resources available for the Offer

The Offeror intends to finance and satisfy the Consideration payable under the Share Purchase Agreement and upon full acceptance of the Offer with the personal fundings from Mr. Gao (the ultimate 100% beneficial owner of the Offeror). The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company. Assuming full acceptance of the Offer and that no new Shares will be issued, the maximum aggregate amount payable by the Offeror under the Share Purchase Agreement and upon full acceptance of the Offer will be HK\$120,031,220.

Each of DL Securities and uSmart Securities, being the joint financial advisers to the Offeror in connection with the Acquisition and the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the Consideration payable under the Share Purchase Agreement and upon 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 accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Offer is made, being the date of posting of the Composite Document. The Board confirms that, as at the Latest Practicable Date, (i) the Company had not declared any dividend or other distribution which remained unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offer. If, after the date of despatch

LETTER FROM DL SECURITIES

of this Composite Document, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror will reduce the Offer Price by an amount equal to that of such dividend or other distribution received or receivable by the Shareholders pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code.

The Offer is unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares or any other conditions. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the paragraph headed “8. Right of Withdrawal” in Appendix I to this Composite Document.

Settlement

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but, in any event, no later than seven (7) business days (as defined in the Takeovers Code) after the date on which the duly completed acceptance of the Offer is received in accordance with Rule 20.1 of the Takeovers Code. Relevant document(s) evidencing title in respect of such acceptance must be received by or on behalf of the Offeror (or its agent) to render each such acceptance of the Offer complete and valid in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest Hong Kong cent.

Hong Kong Stamp duty

In Hong Kong, seller’s ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of the Independent Shareholders accepting the Offer and will pay the buyer’s ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Singapore Stamp duty

In Singapore, there is no seller’s stamp duty arising in connection with the acceptance of the Offer payable by the relevant Independent Shareholders whose Shares are traded on the SGX-ST, and no stamp duty is payable in Singapore on the transfer of scripless shares through the book entry securities system maintained by the Central Depository (Pte) Limited. Buyer’s stamp duty and buyer’s transfer fees (if any) arising in connection with the acceptance of the Offer by the Independent Shareholders whose Shares are traded on the SGX-ST will be payable by the Offeror.

LETTER FROM DL SECURITIES

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if in doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Offeror Concert Parties, the Company, DL Securities, uSmart Securities, the Independent Financial Adviser and (as the case may be) their respective ultimate beneficial owners, directors, officers, employees, advisers, 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 Offeror is making the Offer available to all the Independent Shareholders, including Independent Shareholders' whose Shares are traded on the SGX-ST. A copy of this Composite Document is available on the website of the SGX-ST at www.sgx.com. As the Company's primary listing is not on the SGX-ST and the Company is not a Singapore incorporated public company, the Singapore Code on Takeovers and Mergers will not apply to the Offer.

As the Offer to Independent Shareholders with a registered address in a jurisdiction outside Hong Kong and Singapore may be affected by the laws of the relevant overseas jurisdictions, Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong and Singapore should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. Independent Shareholders who are residents, citizens or nationals outside Hong Kong and Singapore should inform themselves about and observe, at their own responsibility, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other taxes due in respect of such jurisdiction.

Where there are potential restrictions on the despatch of the Composite Document, the FAT SG and/or the FAA SG (where applicable) to any Singapore Shareholder in an overseas jurisdiction (other than Hong Kong), each of the Offeror, CDP and the Registrar SG reserves the right not to despatch these documents or any part thereof to such overseas jurisdiction.

Any acceptance by the Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws. Overseas Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Based on the register of members of the Company, as at the Latest Practicable Date, there was no Overseas Shareholder.

LETTER FROM DL SECURITIES

Dealing and interests in the Company's Securities

Save for the Acquisition, neither the Offeror nor the Offeror Concert Parties had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

INFORMATION OF THE GROUP

The Company is a company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda, the Shares of which are currently primary listed on the Main Board of the Stock Exchange (stock code: 834) and secondary listed in the Main Board of the SGX-ST (stock code: P74).

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

Further information on the Group is set out in the paragraph headed "Information of the Group" in the "Letter from the Board" as contained in this Composite Document. Financial Information on the Group is set out in Appendix II to this Composite Document.

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in Hong Kong with limited liability on 14 May 2025 and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror is legally, beneficially and wholly owned by Mr. Gao who is also the sole director of the Offeror.

Mr. Gao, aged 68, is the sole legal and beneficial owner and the sole director of the Offeror. Mr. Gao has more than 30 years of experience in the food export and production industry. He is currently the Chairman and General Manager of Qingdao Kangda Holding Group Co., Ltd. (青島康大控股集團有限公司)(formerly known as Qingdao Kangda Foreign Trade Group Co., Ltd. (青島康大外貿集團有限公司)), comprising a group of companies engaging in various business activities in the PRC such as property development, hotel operations, agricultural development, food processing, animal feeds production and import and export business. Mr. Gao was a former non-executive chairman of the Board and non-executive Director until his resignation with effect from 19 June 2017. From April 1993 to March 1995, Mr. Gao was the general manager of Qingdao Jiaonan City Import and Export Company (青島市膠南進出口公司). Mr. Gao also worked as Factory Head of Jiao Nan City Foreign Trading Cold Storage Factory (膠南市外貿冷藏廠) from July 1989 to December 1991, and was the Vice Factory Head of Jiao Nan Pellet Feed Import and Export Company Integrated Processing Factory (膠南縣外貿顆粒飼料廠) from August 1985 to June 1989. In addition, Mr. Gao served the Qingdao Private Enterprises Committee (青島市民營企業協會) as Vice President. Mr. Gao currently serves as a representative of the Qingdao Municipal People's Congress. He obtained a bachelor's degree in Economics and Management from Qingdao University in July 1998.

Mr. Gao considers that the Acquisition presents a compelling investment opportunity yield for long term growth of the Company. By leveraging Mr. Gao's 40 years of industry experience within the food industry and the well-established full industry chain in processed and frozen agricultural products, the Acquisition is expected to bring significant benefits to the Company,

LETTER FROM DL SECURITIES

including increased capital injection, expanded sales channels, product technology upgrades, diversified talent acquisition, and integration of domestic and international market resources, which will effectively support the Company in achieving its sustainable development strategic objectives.

Mr. Gao is the uncle of Mr. Gao Yanxu, an executive Director. As at the Latest Practicable Date, Mr. Gao is a director of two subsidiaries of the Company and a general manager of a subsidiary of the Company.

Immediately before Completion, none of the Offeror, its ultimate beneficial owner, its director and the Offeror Concert Parties held any Shares. Immediately after Completion and as at the Latest Practicable Date, none of the Offeror, its ultimate beneficial owner, its director and the Offeror Concert Parties holds any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for the 247,708,066 Shares shall be acquired by the Offeror through the Acquisition.

THE OFFEROR'S INTENTION ON THE GROUP

Following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business for long-term purposes. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. As at the Latest Practicable Date, (i) the Offeror did not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group; and (ii) no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group.

Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

As at the Latest Practicable Date, save for the potential change(s) to the composition of the Board, details of which are set out in the paragraph headed "8. Proposed Change to the Board Composition of the Company" in the Joint Announcement, the Offeror has no intention to make material changes to the employment of employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group. As at the Latest Practicable Date, the Offeror has not yet finalised the proposed nomination of new Directors. Details of the change of the Board composition and biographies of the new Directors will be announced in accordance with the requirements of the Takeovers Code and the Listing Rules as and when appropriate.

LETTER FROM DL SECURITIES

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury 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, it will consider exercising its discretion to suspend dealings in the Shares. In such event, trading in the Shares on the SGX-ST may also be suspended.

The Offeror intends the Company to remain listed on the Stock Exchange and the SGX-ST. Mr. Gao, the sole director of the Offeror, and the new Director(s) to be appointed (if any) to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

Therefore, it should be noted that upon the close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Further announcement(s) regarding the restoration of public float (if any) will be made by the Company as and when appropriate.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offer, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Acceptance Form(s).

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code, Listing Rules, and the Listing Manual of Singapore Exchange Securities Trading Limited and the information disclosed may not be the same as the information which would have been disclosed if this Composite Document had been prepared in accordance with the relevant laws of jurisdictions outside Hong Kong and Singapore.

To ensure equality of treatment of all Independent Shareholders (including those whose Shares are traded on the SGX-ST), those Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

LETTER FROM DL SECURITIES

Attention of the Overseas Shareholders is drawn to the paragraph headed “9. Overseas Shareholders” in Appendix I to this Composite Document. All communications, notices, Acceptance Form(s), share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. None of the Offeror, the Offeror Concert Parties, the Company, DL Securities, uSmart Securities, the Independent Financial Adviser or (as the case may be) their respective ultimate beneficial owners, directors, officers, agents and associates nor any other person involved in the Offer will be responsible for any loss or delay in postage or any other liabilities that may arise as a result thereof or in connection therewith. Further details have been set out in Appendix I to this Composite Document and in the accompanying Acceptance Form(s).

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Acceptance(s), which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group, which are set out in this Composite Document and the accompanying Acceptance Form(s) before deciding whether or not to accept the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Yours faithfully

For and on behalf of

DL Securities (HK) Limited

Tommy Cheng

Nathan Au

Managing Director

Managing Director

Corporate Finance Division

Corporate Finance Division

LETTER FROM THE BOARD



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 (Primary Listing): 834)

(Singapore Stock Code (Secondary Listing): P74)

Directors:

Lang Ying, Chairlady, *Executive Director*
and *Chief Executive Officer ("CEO")*

Gao Yanxu, *Executive Director*

An Fengjun, *Executive Director*

Hua Shi, *Independent Non-Executive Director*

Li Ying, *Independent Non-Executive Director*

Wang Cheng, *Independent Non-Executive Director*

Registered office:

Victoria Place, 5th Floor
31 Victoria Street, Hamilton HM 10
Bermuda

Principal place of business in the PRC:

No. 8399, Binhai Boulevard
Huangdao District, Qingdao City
Shandong Province
PRC

Place of business in Hong Kong:

Unit 216, 2/F, Mirror Tower
No. 61 Mody Road, Tsim Sha Tsui East
Kowloon
Hong Kong

28 November 2025

To the Independent Shareholders:

Dear Sir or Madam

**UNCONDITIONAL MANDATORY CASH OFFER BY
DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF
THE OFFEROR FOR ALL THE ISSUED SHARES
OF THE COMPANY (OTHER THAN THOSE ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY THE OFFEROR AND
THE OFFEROR CONCERT PARTIES)**

INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Offeror and the Company dated 23 October 2025 in relation to, among other things, the Acquisition and the Offer.

LETTER FROM THE BOARD

On 18 October 2025, the Seller (as vendor) and the Offeror (as purchaser) entered into the Share Purchase Agreement pursuant to which the Seller has conditionally agreed to sell and the Offeror has conditionally agreed to acquire the Sale Shares, being 247,708,066 Shares, representing approximately 54.69% of the total issued Shares and the Seller's entire shareholding in the Company as at the date of the Share Purchase Agreement, for a total cash consideration of HK\$65,642,637.49 (equivalent to HK\$0.265 per Sale Share).

Immediately prior to Completion of the sale and purchase of the First Batch Sale Shares, none of the Offeror, the ultimate beneficial owner of the Offeror and Offeror Concert Parties held any Shares.

Completion is conditional upon the fulfilment or waiver (if applicable) of the conditions precedent as set out in the Share Purchase Agreement and described in the section headed "Conditions Precedent to Completion" of the Joint Announcement. The completion of the sale and purchase of the First Batch Sale Shares took place on 28 October 2025. As at the Latest Practicable Date, the migration of the Second Batch Sale Shares from the Singapore Central Depository register to the Hong Kong share registrar has been completed and the Second Batch Sale Shares are in the process of being deposited into CCASS to facilitate completion. The completion of the sale and purchase of the Second Batch Sale Shares is expected to take place on or before 19 December 2025 (which has been agreed in writing by the Vendor and the Offeror).

Immediately following the Completion of the sale and purchase of the First Batch Sale Shares, the Offeror will be interested in a total of 240,748,400 Shares, representing approximately 53.15% of the total issued Shares. Immediately following the Completion for all of the Sale Shares (i.e. First Batch Sale Shares and Second Batch Sale Shares), the Offeror will be interested in 247,708,066 Shares, representing approximately 54.69% of the total issued Shares.

Pursuant to Rule 26.1 of the Takeovers Code, following the Completion for the sale and purchase of the First Batch Sales Shares, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and the Offeror Concert Parties). For the avoidance of doubt, the obligation of the Offeror to make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code is not subject to the Completion for the sale and purchase of the Second Batch Sale Shares. Further, as the Company's primary listing is not on the SGX-ST and the Company is not a Singapore incorporated public company, the Singapore Code on Takeovers and Mergers will not apply to this Offer.

Details of the terms of the Offer, the information of the Offeror and the intention of the Offeror in relation to the Group are set out in the "Letter from DL Securities" and Appendices I and IV to this Composite Document and the accompanying Acceptance Form(s).

The primary purpose of this letter is to provide you with information relating to, among other matters, information relating to the Group and the Offer.

LETTER FROM THE BOARD

THE OFFER

As at the Latest Practicable Date, there were a total of 452,948,000 Shares in issue and the Company does not have any outstanding options, warrants, derivatives 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. As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the Shares.

As mentioned in the “Letter from DL Securities” on pages 10 to 19 of the Composite Document, DL Securities, on behalf of the Offeror, is making the Offer on the following basis:

For each Offer Share HK\$0.265 in cash

The Offer Price of HK\$0.265 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the 247,708,066 Sale Shares under the Share Purchase Agreement. The price per Sale Share was determined after arm’s length negotiation between the Seller and the Offeror, after taking into account, among others, (i) the business and the historical financial performance and financial position of the Group; and (ii) the Company’s historical liquidity and share prices performance traded on the Stock Exchange.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer will also be open for acceptance by Independent Shareholders whose Shares are traded on the SGX-ST.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and to be acquired together with all rights attached thereto, including but not limited to 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 this Composite Document.

The Offer is unconditional in all respects when made.

Further details of the Offer including, among other things, the value of the Offer, its extension to the Overseas Shareholders, effect of accepting the Offer, information on stamp duty, taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period are set out in the “Letter from DL Securities” on pages 10 to 19 of the Composite Document, and Appendix I to this Composite Document and the Acceptance Form(s).

The Board confirms that, as at the Latest Practicable Date, (i) the Company had not declared any dividend or other distribution which remained unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offer.

LETTER FROM THE BOARD

INFORMATION ON THE OFFEROR AND ITS INTENTIONS IN RELATION TO THE GROUP

Your attention is drawn to the sections headed “Information of the Offeror” and “The Offeror’s Intention on the Group” in the “Letter from DL Securities” set out in this Composite Document. The Offeror is legally, beneficially and wholly owned by Mr. Gao. Mr. Gao is the uncle of Mr. Gao Yanxu, Executive Director of the Company. As at the Latest Practicable Date, Mr. Gao is a director of two subsidiaries of the Company and a general manager of a subsidiary of the Company.

Following the close of the Offer, the Offeror intends that the Group will continue with its existing principal business for long-term purposes. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. As at the Latest Practicable Date, (i) the Offeror did not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group; and (ii) no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group.

Following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

As at the Latest Practicable Date, the Board comprises Ms. Lang Ying, Mr. Gao Yanxu and Mr. An Fengjun as Executive Directors; and Mr. Hua Shi, Ms. Li Ying and Mr. Wang Cheng as Independent Non-Executive Directors.

As set out in the paragraph headed “8. Proposed Change to the Board Composition of the Company” in the Joint Announcement, the Offeror intends to nominate new Directors to the Board to facilitate the business operation, management and strategy of the Group. As stated in the “Letter from DL Securities”, save for the Offeror’s intention as set out above, the Offeror has no intention to make material changes to the employment of employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group. As at the Latest Practicable Date, the Offeror has not yet finalised the proposed nomination of new Directors. Details of the change of the Board composition and biographies of the new Directors will be announced in accordance with the requirements of the Takeovers Code and the Listing Rules as and when appropriate.

LETTER FROM THE BOARD

The Board is aware of the intentions of the Offeror in respect of the Group and is willing to co-operate with the Offeror further, which is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP

The Company is a company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda, the Shares of which are currently primary listed on the Main Board of the Stock Exchange (stock code: 834) and secondary listed in the main board of the SGX-ST (stock code: P74).

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

The following table sets out the shareholding structure of the Company (based on the information received by or notified to, the Company pursuant to Part XV of the SFO as at the Latest Practicable Date) (i) immediately before the Completion and (ii) immediately after Completion and as at the Latest Practicable Date, assuming there is no change in the issued share capital of the Company:

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (based on the information received by or notified to, the Company pursuant to Part XV of the SFO as at the Latest Practicable Date) (i) immediately prior to Completion for the sale and purchase of the First Batch Sale Shares; (ii) immediately after Completion for the sale and purchase of the First Batch Sale Shares but before Completion of the sale and purchase of the Second Batch Sale Shares and the Offer; and (iii) immediately after Completion for the sale and purchase of all Sale Shares but before the Offer, assuming there is no change in the issued share capital of the Company:

Shareholders	Immediately before Completion for the sale and purchase of the First Batch Sale Shares		Immediately after Completion for the sale and purchase of the First Batch Sale Shares but before Completion for the sale and purchase of the Second Batch Sale Shares and the Offer		Immediately after Completion for the sale and purchase of all Sale Shares but before the Offer	
	Number of Shares	Approximate % of issued Shares (Note 3)	Number of Shares	Approximate % of issued Shares (Note 3)	Number of Shares	Approximate % of issued Shares (Note 3)
Offeror and the Offeror Concert Parties (Note 1)	–	–	240,748,400	53.15	247,708,066	54.69
Seller (Note 2)	247,708,066	54.69	6,959,666	1.54	–	–
Sub-total	247,708,066	54.69	247,708,066	54.69	247,708,066	54.69
Independent Shareholders	205,239,934	45.31	205,239,934	45.31	205,239,934	45.31
Total	452,948,000	100.00	452,948,000	100.00	452,948,000	100.00

LETTER FROM THE BOARD

Note:

1. The Offeror is legally, beneficially and wholly owned by Mr. Gao.
2. The Seller, a company incorporated in the British Virgin Islands, is legally, beneficially and wholly owned by Mr. Wu.
3. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Your attention is drawn to the financial information of the Group and the general information of the Company as set out in Appendices II and III to this Composite Document respectively. The Directors would also like to draw your attention that as stated in the annual reports of the Company for each of the three years ended 31 December 2022, 2023 and 2024, BDO Limited, the auditors of the Company, was of the view that there were material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern (which details are set out in Appendix II to this Composite Document).

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury 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, it will consider exercising its discretion to suspend dealings in the Shares. In such event, trading in the Shares on the SGX-ST may also be suspended.

The Board noted that the Offeror intends the Company to remain listed on the Stock Exchange and the SGX-ST.

The Board also noted that Mr. Gao, the sole director of the Offeror, and the new Director(s) to be appointed (if any) to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

Therefore, it should be noted that upon the close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Further announcement(s) regarding the restoration of public float (if any) will be made by the Company as and when appropriate.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is fair and reasonable; and (ii) as to acceptance, and the members of the independent board committee should comprise all non-executive directors who have no direct or indirect interest in the offer.

An Independent Board Committee, comprising of all of the three Independent Non-Executive Directors, namely Mr. Hua Shi, Ms. Li Ying and Mr. Wang Cheng has been established by the Company to advise and give a recommendation to the Independent Shareholders on whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Alpha Financial Group Limited, has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is fair and reasonable and as to their acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The full text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee is set out on pages 27 to 28 of this Composite Document.

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 27 to 28 of this Composite Document, which contains its recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to their acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages IFA-1 to IFA-30 of this Composite Document which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Offer and the principal factors considered by it in arriving at its advice.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Acceptance Form(s).

In considering what action to take in connection with the Offer, you should also consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Yours faithfully,
By order of the Board
China Kangda Food Company Limited
Lang Ying
Chairlady, Executive Director and CEO



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 (Primary Listing): 834)

(Singapore Stock Code (Secondary Listing): P74)

28 November 2025

To the Independent Shareholders:

Dear Sir or Madam

**UNCONDITIONAL MANDATORY CASH OFFER BY
DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF
THE OFFEROR FOR ALL THE ISSUED SHARES
OF THE COMPANY (OTHER THAN THOSE ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY THE OFFEROR AND
THE OFFEROR CONCERT PARTIES)**

INTRODUCTION

We refer to the composite offer and response document (the “Composite Document”) jointly issued by the Company and the Offeror dated 28 November 2025, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the Offer and to advise the Independent Shareholders as to, in our opinion, whether or not the Offer is fair and reasonable and to make recommendation in respect of acceptance of the Offer.

Alpha Financial Group Limited has been appointed as the Independent Financial Adviser with our approval to make recommendation to us in respect of the Offer and, in particular, whether the Offer is fair and reasonable and to make recommendation in respect of the acceptance of the Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from the Independent Financial Adviser” in this Composite Document.

We also wish to draw your attention to the “Letter from DL Securities”, the “Letter from the Board” and the additional information set out in the Appendices to this Composite Document and the accompanying Acceptance Form(s) in respect of the terms of the Offer and the acceptance and settlement procedures for the Offer.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Offer and the letter of advice and recommendations from the Independent Financial Adviser, we concur with the view of the Independent Financial Adviser and consider that the Offer is fair and reasonable so far as the Independent Shareholders are concerned.

However, given the recent volatility in the closing prices of the Shares, Independent Shareholders who wish to realise their investments in the Company are reminded to monitor the market price of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Offer, if the net proceeds obtained from the sale of such Shares in the open market would be higher than the net proceeds from accepting the Offer. Accordingly, we advise the Independent Shareholders to accept the Offer if the amount they can receive under the Offer is higher than the net proceeds from the sale of such Shares in the open market. Notwithstanding our recommendations, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in this Composite Document and the accompanying Acceptance Form(s). If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
China Kangda Food Company Limited

Mr. Hua Shi
*Independent Non-Executive
Director*

Ms. Li Ying
*Independent Non-Executive
Director*

Mr. Wang Cheng
*Independent Non-Executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Alpha Financial Group Limited, the Independent Financial Adviser, setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the Offer, which has been prepared for the purpose of inclusion in this Composite Document.



Alpha Financial Group Limited

Room A, 17/F

Fortune House

61 Connaught Road Central

Central, Hong Kong

28 November 2025

*To: The Independent Board Committee and the Independent Shareholders of
China Kangda Food Company Limited*

Dear Sirs/Madams,

**UNCONDITIONAL MANDATORY CASH OFFER BY
DL SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF
THE OFFEROR FOR ALL THE ISSUED SHARES
OF THE COMPANY (OTHER THAN THOSE ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY THE OFFEROR AND
THE OFFEROR CONCERT PARTIES)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the Composite Document dated 28 November 2025 issued by the Company, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

The Board was notified by the Seller and the Offeror that on 18 October 2025, the Seller (as vendor) and the Offeror (as purchaser) entered into the Share Purchase Agreement pursuant to which the Seller has conditionally agreed to sell and the Offeror has conditionally agreed to acquire the Sale Shares, being 247,708,066 Shares, representing approximately 54.69% of the total issued Shares and the Seller’s entire shareholding in the Company as at the date of the Share Purchase Agreement, for a total cash consideration of HK\$65,642,637.49 (equivalent to HK\$0.265 per Sale Share). The aggregate Consideration was determined after arm’s length negotiation between the Seller and the Offeror, after taking into account, among others, (i) the business and the historical financial performance and financial position of the Group; and (ii) the Company’s historical liquidity and share prices performance traded on the Stock Exchange.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Immediately following Completion of the sale and purchase of the First Batch Sale Shares and as at the Latest Practicable Date, the Company had 452,948,000 Shares in issue, of which 240,748,400 Shares were held by the Offeror and Offeror Concert Parties (representing 53.15% of the total issued share capital of the Company). Immediately upon Completion for all of the Sale Shares, the Offeror will be interested in 247,708,066 Shares, representing approximately 54.69% of the total issued Shares.

As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the Shares.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, following the Completion for the sale and purchase of the First Batch Sales Shares, the Offeror is 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 parties acting in concert with it).

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance, and the members of the independent board committee should comprise all non-executive directors who have no direct or indirect interest in the offer.

An Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Hua Shi, Ms. Li Ying and Mr. Wang Cheng, has been established to advise and give a recommendation to the Independent Shareholders on whether the Offer is fair and reasonable and as to the acceptance of the Offer.

We, Alpha Financial Group Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offer pursuant to Rule 2.1 of the Takeovers Code. With the approval of the Independent Board Committee, we have been appointed by the Company to act as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We are independent from and not connected with the Company, the Offeror, the Seller, any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. During the past two years immediately preceding the commencement of the Offer Period and up to the Latest Practicable Date, save for this appointment as the Independent Financial Adviser in respect of the Offer, Alpha Financial Group Limited has no significant connection, financial, business or otherwise with and there were no other engagements between Alpha Financial Group Limited and the Company, the Offeror, the Seller, any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to advise the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Offeror, the Seller and the Company or any of their respective substantial shareholders or any person acting, or deemed to be acting, in concert with any of them. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in or referred to in the Composite Document and the information and representations as provided to us by the Directors and the management of the Company (the “**Management**”). Our review procedures include review of the annual report of the Group for the year ended 31 December 2024 (the “**2024 Annual Report**”), the interim report of the Group for the six months ended 30 June 2025 (the “**2025 Interim Report**”), the Joint Announcement, the Composite Document, relevant announcements published by the Company, the industry trends of the Group’s principal business, the share price performance, the trading liquidity of the Company and comparable companies to the Company. We have assumed that all information and representations that have been provided by the Directors and the Management are true, complete and accurate in all material respects at the time when they were made and up to the date throughout the Offer Period and should there be any material changes thereto, Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Composite Document were reasonably made after due enquiries and careful considerations.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. The Independent Shareholders will be notified of any material changes to such information provided in the Composite Document and our opinion as soon as possible. The Directors have confirmed, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document, including this letter, misleading.

While we have taken reasonable steps to satisfy the requirements under the Takeovers Code and the Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company or the Offeror as set out in the Composite Document, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Offer.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Independent Shareholders who are resident overseas or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional advisers.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Offer, we have considered the principal factors and reasons as set out below:

1. Background of the Offer

The Board was notified by the Seller and the Offeror that on 18 October 2025, the Seller (as vendor) and the Offeror (as purchaser) entered into the Share Purchase Agreement pursuant to which the Seller has conditionally agreed to sell and the Offeror has conditionally agreed to acquire the Sale Shares, being 247,708,066 Shares, representing approximately 54.69% of the total issued Shares and the Seller's entire shareholding in the Company as at the date of the Share Purchase Agreement, for a total cash consideration of HK\$65,642,637.49 (equivalent to HK\$0.265 per Sale Share). The aggregate Consideration was determined after arm's length negotiation between the Seller and the Offeror, after taking into account, among others, (i) the business and the historical financial performance and financial position of the Group; and (ii) the Company's historical liquidity and share prices performance traded on the Stock Exchange.

Immediately following Completion of the sale and purchase of the First Batch Sale Shares and as at the Latest Practicable Date, the Company had 452,948,000 Shares in issue, of which 240,748,400 Shares were held by the Offeror and Offeror Concert Parties (representing 53.15% of the total issued share capital of the Company). Immediately upon Completion for all of the Sale Shares, the Offeror will be interested in 247,708,066 Shares, representing approximately 54.69% of the total issued Shares.

As at the Latest Practicable Date, the Company had 452,948,000 Shares in issue. On the basis of the Offer Price being HK\$0.265 per Offer Share, the total issued share capital of the Company would be valued at HK\$120,031,220.00.

Upon Completion and as at the Latest Practicable Date, assuming no new Shares are issued on or before the Closing Date, based on the Offer Price of HK\$0.265 per Offer Share and 205,239,934 Offer Shares, the maximum consideration for the Offer would be HK\$54,388,582.51.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is 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 parties acting in concert with it).

2. Background information of the Group

(a) Principal business

Established in 1992, the Company is a diversified food manufacturing and processing group based in the People's Republic of China (the “**PRC**”) and is primarily engaged in the production, processing, sale and distribution of: (a) processed foods which include a wide range of food products such as instant soup, curry food, chicken-based cooked products, roasted rabbit food, meatballs, de-oxygenated consumer packed chestnuts and seafood; (b) chilled and frozen chicken meat; (c) chilled and frozen rabbit meat; and (d) other products which mainly include pet food, dehydrated vegetables, poultry, rabbit organs, fruits, dried chili, pig liver, seasoning and high value-added healthcare products.

The Company's chilled and frozen rabbit meat is mainly exported to European Union (the “**EU**”). Besides selling products under its own brand names of “康大”, “嘉府”, “U味”, and “KONDA”, the Company also acts as an Original Equipment Manufacturer (“**OEM**”) of a variety of processed foods including meatballs, seafood, chicken-based cooked products, chestnuts, instant soups and curry products and etc.

The Company currently distributes its wide range of products in 26 provinces and over 30 major cities in the PRC and exports to more than 15 countries and cities including Japan, the United Arab Emirates and certain countries in the EU. The Company is one of the major companies in the PRC authorised to supply rabbit meat to the EU and one of the largest PRC exporters of rabbit meat. The Company is also the first PRC Company to be granted the certification for breeding progeny rabbit in the PRC. The Company has further strengthened its foothold in this segment through stable expansion strategies.

(b) Listing Status of the Company

The Company is a company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda, the Shares of which are currently primary listed on the Main Board of the Stock Exchange (stock Code: 834) and secondary listed in the Main Board of the SGX-ST (stock code: P74).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) Historical financial information

Set out below is a summary of the audited consolidated financial results of the Group for the years ended 31 December 2023 and 2024 (“**FY2023**” and “**FY2024**”, respectively) and the six months ended 30 June 2024 and 2025 (“**HY2024**” and “**HY2025**”, respectively), as extracted from 2024 Annual Report and 2025 Interim Report:

Table 1: Historical financial information of the Group

	FY2023	FY2024	HY2024	HY2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	1,657,308	1,650,509	768,711	861,918
– Processed food	797,592	757,760	354,598	380,788
– Chilled and frozen chicken meat	643,667	694,892	320,010	378,163
– Chilled and frozen rabbit meat	187,990	175,479	79,630	96,437
– Other products	28,059	22,378	14,533	6,530
Gross profit	95,132	73,963	21,024	43,156
– Processed food	96,758	93,610	46,725	56,998
– Chilled and frozen chicken meat	(23,046)	(11,600)	(15,746)	(16,422)
– Chilled and frozen rabbit meat	19,886	(9,934)	(11,529)	1,315
– Other products	1,534	1,887	1,574	1,265
Loss before tax	(8,313)	(21,637)	(20,050)	(1,361)
Loss for the year attributable to owners of the Company	(8,353)	(21,473)	(20,290)	(1,535)
Gross profit margin	5.7%	4.5%	2.7%	5.0%
– Processed food	12.1%	12.4%	13.4%	15.0%
– Chilled and frozen chicken meat	(3.6)%	(1.7)%	(4.9)%	(4.3)%
– Chilled and frozen rabbit meat	10.6%	(5.7)%	(14.5)%	1.4%
– Other products	5.5%	8.4%	8.2%	19.4%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)	<i>RMB'000</i> (unaudited)
Non-current assets	675,241	669,367	633,654
Current assets	906,886	654,195	857,735
Total assets	1,582,127	1,323,562	1,491,389
Non-current liabilities	121,412	106,452	97,163
Current liabilities	907,115	680,746	859,008
Total liabilities	1,028,527	787,198	956,171
Net current liabilities	229	26,551	1,273
Equity attributable to owners of the Company	542,471	525,368	524,001

FY2023 vs FY2024

The revenue decreased by approximately 0.4% from approximately RMB1,657.3 million for FY2023 to approximately RMB1,650.5 million for FY2024. Revenue derived from the production and sales of processed food, chilled and frozen chicken meat, chilled and frozen rabbit meat and other products contributed approximately 45.9%, 42.1%, 10.6%, and 1.4% of the revenue for FY2024 (FY2023: approximately 48.1%, 38.8%, 11.3%, and 1.8%), respectively. The contribution of processed food, chilled and frozen rabbit meat and other products decreased by approximately 5.0%, 6.7% and 20.2%, respectively, while the contribution of chilled and frozen chicken meat increased by approximately 8.0%. The increase of loss making was a net impact of the following: (i) decrease in income on government grants of approximately RMB5.2 million; (ii) decrease in gross profit of approximately RMB21.2 million due to decrease in revenue and gross profit margin; and (iii) decrease in other income of RMB12.2 million due to decrease in recognition of gain arising from changes in fair value less estimated costs to sell of biological assets.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Revenue derived from the production and sales of processed food products decreased by 5.0% to approximately RMB757.8 million for FY2024. Affected by the intense competition from other domestic suppliers, domestic revenue of processed food decreased. Revenue derived from the production and sales of chilled and frozen chicken meat increased by 8.0% to approximately RMB694.9 million for FY2024. With the consumption market recovering, the demand of chilled and frozen chicken meat increased, the Group actively released production capacity and increased slaughter volume to meet market demand. The sales of chilled and frozen rabbit meat products decreased by 6.7% to approximately RMB175.5 million for FY2024. Slowing demand of rabbit meat in overseas markets led to the sales decline of chilled and frozen rabbit meat in FY2024. Revenue derived from the production and sale of other products decreased by 20.2% to RMB22.4 million for FY2024. Due to changes in the market environment, the Group actively reduced the production and sale of pet food, and focused resources on processed food and chilled and frozen chicken meat. On a geographical basis, the revenue of the Group from PRC, EU and Japan contributed approximately 75.5%, 13.7% and 9.2% of the revenue for FY2024 (FY2023: approximately 73.6%, 15.3% and 9.2%), respectively. Revenue from PRC sales increased by approximately 2.1% to approximately RMB1,246.2 million for FY2024. Revenue derived from chilled and frozen chicken meat contributed the majority of domestic sales revenue growth. Revenue from export sales decreased by approximately 7.5% to approximately RMB404.3 million for FY2024. The decrease in seafood sales in the processed food segment led to the decrease in overseas revenue.

Other income for FY2024 was approximately RMB11.6 million, representing a decrease of approximately RMB18.0 million, from approximately RMB29.6 million for FY2023, where the decrease in other income was mainly due to the net impact of the following: (i) decrease of approximately RMB12.2 million in recognition of gain arising from changes in fair value less estimated costs to sell of biological assets as a result of decrease in market price of breeder chickens; and (ii) decrease of approximately RMB5.2 million in income on government grants.

The selling and distribution costs for FY2024 amounted to approximately RMB46.1 million, representing a decrease of approximately RMB7.2 million, from approximately RMB53.3 million for FY2023, mainly due to the less of advertising and promotion expenses incurred in FY2024.

The Group recorded administrative expenses, comprised mainly staff costs, professional fees, depreciation charge, travelling expenses and other miscellaneous administrative expenses, of approximately RMB36.1 million for FY2024, which was decreased from approximately RMB47.2 million for FY2023, representing a decrease of approximately RMB11.1 million. The decrease in administrative expenses was mainly due to recognition of foreign exchange gain of approximately RMB1.0 million for FY2024 (FY2023: gain of approximately RMB5.3 million) and deduction of remunerations of executive Directors.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Other operating expenses of the Group recorded approximately RMB13.7 million for FY2024, which represented a slight decrease of approximately RMB0.8 million as compared to FY2023 of approximately RMB14.5 million. The slight decrease was mainly due to the decrease in loss on disposal of investment property of approximately RMB1.2 million.

The finance costs incurred decreased by approximately 6.3%, from approximately RMB18.0 million for FY2023, to approximately RMB16.9 million for FY2024, which was mainly due to the decrease in average balance of bank borrowings in FY2024.

31 December 2023 vs 31 December 2024

As at 31 December 2024, the Group had net assets of approximately RMB536.4 million (31 December 2023: RMB553.6 million), comprising non-current assets of approximately RMB669.4 million (31 December 2023: RMB675.2 million), and current assets of approximately RMB654.2 million (31 December 2023: RMB906.9 million). The Group recorded a net current liability position of approximately RMB26.6 million as at 31 December 2024 (31 December 2023: RMB0.2 million), which primarily consisted of cash and cash equivalents balances amounted to approximately RMB234.2 million (31 December 2023: RMB284.3 million). Moreover, inventories amounted to approximately RMB105.0 million as at 31 December 2024 (31 December 2023: RMB114.9 million) and trade and bills receivables amounted to approximately RMB91.3 million as at 31 December 2024 (31 December 2023: RMB92.0 million) were also major current assets. Major current liabilities are trade and bills payables, interest-bearing bank borrowings and loans from related parties which amounted to approximately RMB269.8 million (31 December 2023: RMB414.0 million), approximately RMB149.5 million (31 December 2023: RMB188.0 million) and approximately RMB39.0 million (31 December 2023: RMB35.9 million), respectively, as at 31 December 2024.

As at 31 December 2024, the Group has cash and cash equivalent of approximately RMB234.2 million (31 December 2023: RMB284.3 million) and had total interest-bearing bank borrowings of approximately RMB149.5 million (31 December 2023: RMB188.0 million). The gearing ratio for the Group was approximately 73.7% as at 31 December 2024 (31 December 2023: 84.2%), based on total debt of approximately RMB387.3 million (31 December 2023: RMB457.0 million) and equity attributable to Company's owners of approximately RMB525.4 million (31 December 2023: RMB542.5 million).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

HY2024 vs HY2025

The Group's revenue increase by approximately 12.1% from approximately RMB768.7 million for HY2024 to approximately RMB861.9 million for HY2025. Revenue derived from the production and sales of processed food, chilled and frozen chicken meat, chilled and frozen rabbit meat and other products contributed approximately 44.2%, 43.9%, 11.2%, and 0.7% of the revenue for FY2024 (FY2023: approximately 46.1%, 41.6%, 10.4%, and 1.9%), respectively. The loss for HY2025 decreased by approximately 93.4% over HY2024, mainly due to the increase in gross profit and the increase in other income and partly offset by the increase in administrative expenses.

Revenue derived from the production and sales of processed food products increased by approximately 7.4% to approximately RMB380.8 million for HY2025. The increase in revenue was mainly due to the increase in sales volume of export as a result of increase in demand from international trading. Revenue derived from the production and sales of chilled and frozen chicken meat increased by approximately 18.2% to approximately RMB378.2 million in HY2025. With the increase in market demand, the Group increased the number of broiler chickens raised and slaughter volume of broilers, resulting in an increase in the sales of chilled and frozen chicken meat. The sales of chilled and frozen rabbit meat products increased by approximately 21.1% to approximately RMB96.4 million in HY2025 which was mainly due to the increase in the selling price for both international and domestic market. Other products were mainly feed products and chicken and rabbit meat by-products. Revenue derived from the production and sales of other products decreased by approximately RMB8.0 million to approximately RMB6.5 million in HY2025. The decrease in other products' revenue of approximately 55.1% was mainly due to the decrease in unit price of other products in HY2025.

Other income, which comprised mainly gains arising from changes in fair value less estimated costs to sell of biological assets, rental income, government grants, and interest income on financial assets, was approximately RMB8.0 million for HY2025, representing an increase of approximately RMB4.0 million, from approximately RMB4.0 million for HY2024, where the increase in other income was mainly due to the net impact of the following: no loss arising from changes in fair value less estimated costs to sell of biological assets, increase in amortisation of deferred income on government grant of approximately RMB1.7 million, increase in recognition of government grants related to income of approximately RMB0.5 million, increase of rental income of approximately RMB1.5 million and decrease in interest income on financial assets stated at amortised cost of approximately RMB2.6 million.

The selling and distribution costs, comprised mainly salary and welfare, transportation costs and advertisement costs, amounted to approximately RMB24.7 million for HY2025, representing a slight decrease of approximately RMB0.8 million, from approximately RMB25.5 million for HY2024, mainly due to the decrease in advertising and promotion expenses.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded administrative expenses, comprised mainly staff costs, professional fees, depreciation charge, travelling expenses and other miscellaneous administrative expenses, of approximately RMB15.8 million for HY2025, which remained general the same as compared to approximately RMB15.6 million for HY2024.

Other operating expenses of the Group recorded approximately RMB6.6 million for HY2025, which represented an increase of approximately RMB6.5 million as compared to approximately RMB0.1 million for HY2024. The increase was mainly due to reclassification of depreciation of investment property of approximately RMB6.0 million in HY2025.

The finance costs incurred, comprising interest charges on bank borrowings and interest on lease liabilities, increased by approximately RMB2.4 million, from approximately RMB3.0 million for HY2024, to approximately RMB5.4 million for HY2025.

31 December 2024 vs 30 June 2025

The Group had net assets of approximately RMB535.2 million (31 December 2024: RMB536.4 million), comprising of non-current assets of approximately RMB633.7 million (31 December 2024: RMB669.4 million), and current assets of approximately RMB857.7 million (31 December 2024: RMB654.2 million). The Group recorded a net current liabilities of approximately RMB1.3 million as at 30 June 2025 (31 December 2024: net current liabilities of RMB26.6 million). Cash and bank balances amounted to approximately RMB144.9 million (31 December 2024: RMB234.2 million), inventories amounted to approximately RMB165.2 million (31 December 2024: RMB105.0 million) and trade and bills receivables amounted to approximately RMB111.8 million (31 December 2024: RMB91.3 million) are the major current assets. Major current liabilities are trade and bills payables and interest-bearing bank borrowings amounted to approximately RMB497.6 million (31 December 2024: RMB269.8 million) and approximately RMB95.5 million (31 December 2024: RMB149.5 million), respectively.

As at 30 June 2025, the Group had cash and bank balances of approximately RMB144.9 million (31 December 2024: RMB234.2 million) and had interest-bearing bank borrowings of approximately RMB95.5 million (31 December 2024: RMB149.5 million). The gearing ratio for the Group was approximately 67.8% as at 30 June 2025 (31 December 2024: 73.7%), based on total debt of approximately RMB355.3 million (31 December 2024: RMB387.3 million) and equity attributable to owners of the Company of approximately RMB524.0 million (31 December 2024: RMB525.4 million).

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(d) Going Concern/Disclaimer of Opinion

References are made to (i) the 2024 Annual Report; and (ii) the supplemental announcement of the Company in relation to the 2024 Annual Report dated 20 June 2025, the auditors of the Company are concerned with the Group's ability to continue as a going concern. As the Company and the lenders were still actively negotiating on the outstanding terms of the loan extension agreement, the Company was not able to provide the signed loan extension agreement to the auditors of the Company, accordingly, the auditors of the Company issued the disclaimer of opinion on the financial statements of the Company for FY2024 on its going concern (the **"Disclaimer of Opinion"**), which will be dependent on the Group's ability to generate sufficient financing and operating cash flows. For further details, please refer to the 2024 Annual Report and the aforementioned announcement of the Company dated 20 June 2025.

References are also made to (i) the supplemental announcement of the Company in relation to the 2024 Annual Report dated 20 June 2025; and (ii) the announcements of the Company in relation to quarterly updated on implementation of action plan dated 30 July 2025 and 30 October 2025, whereas the ongoing measures that has undertaken by the Company to address the Disclaimer of Opinion and, as the relevant loans will be regarded as a shareholder's loan upon Mr. Gao becoming the controlling shareholder of the Company, arrangements for the loan extension are expected to be made after the completion of the Offer, while Mr. Gao, Hong Kong High Quality Limited (which Mr. Gao is the sole shareholder), and the other entity (which Mr. Gao is a director) providing the relevant loans (i) do not intend to initiate any legal action or a winding up petition against the Company, and (ii) remain interested in maintaining and extending the relevant loans despite the relevant loans being due. Nonetheless, we are of the understanding that arrangements for the loan extension are expected to be made after the completion of the Offer. For further details, please refer to the aforementioned announcements of the Company dated 20 June 2025, 30 July 2025 and 30 October 2025 and Appendix II to the Composite Document.

In the event that the Group is not able to further renew its bank borrowings, extend the relevant loans, cash generated from its operating activities is insufficient, and/or any unforeseeable market event occurs that affects the operation of the Group, the Group might not be able to repay the debts that fall due and the Company might face liquidity risk which may adversely affect its business, financial condition, and results of operations.

As the Disclaimer of Opinion is only limited to the extension of the loan agreement, which the relevant loans will also be regarded as a shareholder's loan with Mr. Gao becoming the controlling shareholder of the Company. As such, together with the arrangements for the loan extension are expected to be made as announced by the Company in the announcement dated 30 October 2025, we consider that the Disclaimer of Opinion does not have significant implications on the Offer.

3. Information and intention of the Offeror***Information of the Offeror***

As stated in the section headed “INFORMATION ON THE OFFEROR” in the Letter from DL Securities, the Offeror is a company incorporated in Hong Kong with limited liability on 14 May 2025 and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror is legally, beneficially and wholly owned by Mr. Gao who is also the sole director of the Offeror.

Mr. Gao, aged 68, is the sole legal and beneficial owner and the sole director of the Offeror. Mr. Gao has more than 30 years of experience in the food export and production industry. He is currently the Chairman and General Manager of Qingdao Kangda Holding Group Co., Ltd. (青島康大控股集團有限公司) (formerly known as Qingdao Kangda Foreign Trade Group Co., Ltd. (青島康大外貿集團有限公司)), comprising a group of companies engaging in various business activities in the PRC such as property development, hotel operations, agricultural development, food processing, animal feeds production and import and export business. Mr. Gao was a former non-executive chairman of the Board and non-executive Director until his resignation with effect from 19 June 2017. From April 1993 to March 1995, Mr. Gao was the general manager of Qingdao Jiaonan City Import and Export Company (青島市膠南進出口公司). Mr. Gao also worked as Factory Head of Jiao Nan City Foreign Trading Cold Storage Factory (膠南市外貿冷藏廠) from July 1989 to December 1991, and was the Vice Factory Head of Jiao Nan Pellet Feed Import and Export Company Integrated Processing Factory (膠南縣外貿顆粒飼料廠) from August 1985 to June 1989. In addition, Mr. Gao served the Qingdao Private Enterprises Committee (青島市民營企業協會) as Vice President. Mr. Gao currently serves as a representative of the Qingdao Municipal People’s Congress. He obtained a bachelor’s degree in Economics and Management from Qingdao University in July 1998.

Mr. Gao considers that the Acquisition presents a compelling investment opportunity yield for long term growth of the Company. By leveraging Mr. Gao’s 40 years of industry experience within the food industry and the well-established full industry chain in processed and frozen agricultural products, the Acquisition is expected to bring significant benefits to the Company, including increased capital injection, expanded sales channels, product technology upgrades, diversified talent acquisition, and integration of domestic and international market resources, which will effectively support the Company in achieving its sustainable development strategic objectives.

We believe that the Group can benefit from Mr. Gao’s 40 years of experience in the food industry as well as the knowledge in the full industry chain in processed and frozen agricultural products. As for the operation of principal business segment of the Group, we believe that the Mr. Gao can contribute with his knowledge and experience in the relevant industry. In addition, as Mr. Gao was a former non-executive chairman of the Board and non-executive Director until his resignation, we believe that Mr. Gao will be able to seamlessly integrate into the Group’s current business operations and future development plans. From this perspective, we believe Mr. Gao may bring in positive influence to the future outlook of the Company.

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Mr. Gao is the uncle of Mr. Gao Yanxu, an executive Director. As at the Latest Practicable Date, Mr. Gao is a director of two subsidiaries of the Company and a general manager of a subsidiary of the Company.

Intention of the Offeror

As detailed in the section headed “THE OFFEROR’S INTENTION ON THE GROUP” in the Letter from DL Securities, following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business for long-term purposes and the Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business.

Also as stated in the section headed “THE OFFEROR’S INTENTION ON THE GROUP” in the Letter from DL Securities, the Offeror confirms that, as at the Latest Practicable Date, it did not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group; and no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal of any assets or business of the Group. Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group, and, subject to the results of the review and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

Proposed change of the Board composition

As at the Latest Practicable Date, the Board comprises Ms. Lang Ying, Mr. Gao Yanxu and Mr. An Fengjun as executive Directors; and Mr. Hua Shi, Ms. Li Ying and Mr. Wang Cheng as independent non-executive Directors.

According to the Joint Announcement, the Offeror intends to nominate new Directors to the Board to facilitate the business operation, management and strategy of the Group, and according to the Letter from DL Securities, as at the Latest Practicable Date, the Offeror has not yet finalised the proposed nomination of new Directors. Details of the change of the Board composition and biographies of the new Directors will be announced in accordance with the requirements of the Takeovers Code and the Listing Rules as and when appropriate.

4. Future prospects and outlook of the Group

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

As disclosed in the 2024 Annual Report and 2025 Interim Report, with re-emergence of trade protectionism and global recession, the industry is facing complicated external environment and challenges. As the Company focuses on a consumer products industry, the business is affected by economic growth, consumers' preferences, industry cycle and animal epidemics.

According to the Food Outlook published by the Food and Agriculture Organization of the United Nations in November 2025, the world meat production is forecasted to reach 383.5 million tonnes in 2025, up by 1.4%, from 378.1 million tonnes from 2024, with poultry meat being the expected driver which is expected to grow at 2.9%. Global meat trade is also expected to reach 43.0 million tonnes in 2025, up from 42.2 million tonnes in 2024, where poultry and pig meat trades expected to only grow at 1.1% and 1.5%, respectively.

Further, we also look into the consumer markets of the PRC and the EU, which contributed approximately 75.5% and 13.7% to the revenue of the Group during FY2024, respectively, where both are considered major geographical markets of the Group that contributed over 10% to the revenue of the Group during FY2024.

Citing from the China Economic Update published by The World Bank in June 2025, it is anticipated that the GDP growth is projected to slow down from 5.0% in 2024, to 4.5% and 4.0% in 2025 and 2026, respectively, as higher trade restrictions slow export growth and heightened uncertainty weighs on manufacturing investment and labor demand. In the same report, it also highlighted that uncertainty around trade policy and global growth poses downside risks to China's growth outlook in a global sense, and prolonged weakness in the property sector could further temper investment in a domestic sense, where further softening of labor market conditions due to higher uncertainty and delayed corporate investment could weigh on consumption. In addition, the consumer market is expected remain sluggish, with the consumer price index is anticipated to grow at a low rate of 0.5% in 2025. Accordingly, as the Company engages in a consumer products industry, with the sluggish environment of the consumer market, we are of the view that the outlook of domestic market that the Company operates remain uncertain.

For the consumer market in the EU, which represents the majority of the Group's overseas market, citing from the Autumn 2025 Economic Forecast published by the European Commission in November 2025, it is anticipated that the GDP growth in the EU will be at 1.5% for 2025 and 2026, which was slower than previously estimated due to high inflation and energy prices. The ongoing conflict in Ukraine and volatile energy markets in the EU continues to result in a cautious spending environment, which dampens the consumer market in the EU. Accordingly, we are of the EU consumer of overseas market that the Company operates also remain uncertain.

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Also taking into account that (i) the Group has been making losses for FY2023, FY2024 and HY2025 as discussed in the section headed “2 (c) Historical financial information” in this letter; (ii) the auditors has issued the Disclaimer of Opinion as the Company and the lenders were still negotiation on the outstanding terms of the loan extension agreement, as discussed in the section headed “2 (d) Going Concern/Disclaimer of Opinion” in this letter; (iii) the sluggish PRC consumer market that the Company operates, as cited from China Economic Update published by The World Bank in June 2025; and (iv) the stagnant EU consumer market which forms the majority of the Group’s overseas market, where slower growth was forecasted due to high inflation and energy prices, as cited from the Autumn 2025 Economic Forecast published by the European Commission in November 2025, we consider that the Group’s outlook and prospects remain uncertain.

5. Principal terms of the Offer

As stated in the Letter from DL Securities, DL Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share HK\$0.265 in cash

As disclosed in the Letter from DL Securities, the Offer Price of HK\$0.265 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the 247,708,066 Sale Shares under the Share Purchase Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to 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.

The Offeror confirms that the Offer Price is final and will not be increased.

Immediately following Completion of the sale and purchase of the First Batch Sale Shares and as at the Latest Practicable Date, the Company had 452,948,000 Shares in issue, of which 240,748,400 Shares were held by the Offeror and Offeror Concert Parties (representing 53.15% of the total issued share capital of the Company). Immediately upon Completion for all of the Sale Shares, the Offeror will be interested in 247,708,066 Shares, representing approximately 54.69% of the total issued Shares.

As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the Shares.

As at the Latest Practicable Date, the Company had 452,948,000 Shares in issue. On the basis of the Offer Price being HK\$0.265 per Offer Share, the total issued share capital of the Company would be valued at HK\$120,031,220.00.

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Upon Completion and as at the Latest Practicable Date, assuming no new Shares are issued on or before the Closing Date, based on the Offer Price of HK\$0.265 per Offer Share and 205,239,934 Offer Shares, the maximum consideration for the Offer would be HK\$54,388,582.51.

For further details of the terms of the Offer, please refer to the “Letter from DL Securities” contained in the Composite Document.

5.1 The Offer Price

The Offer Price of HK\$0.265 per Offer Share represents:

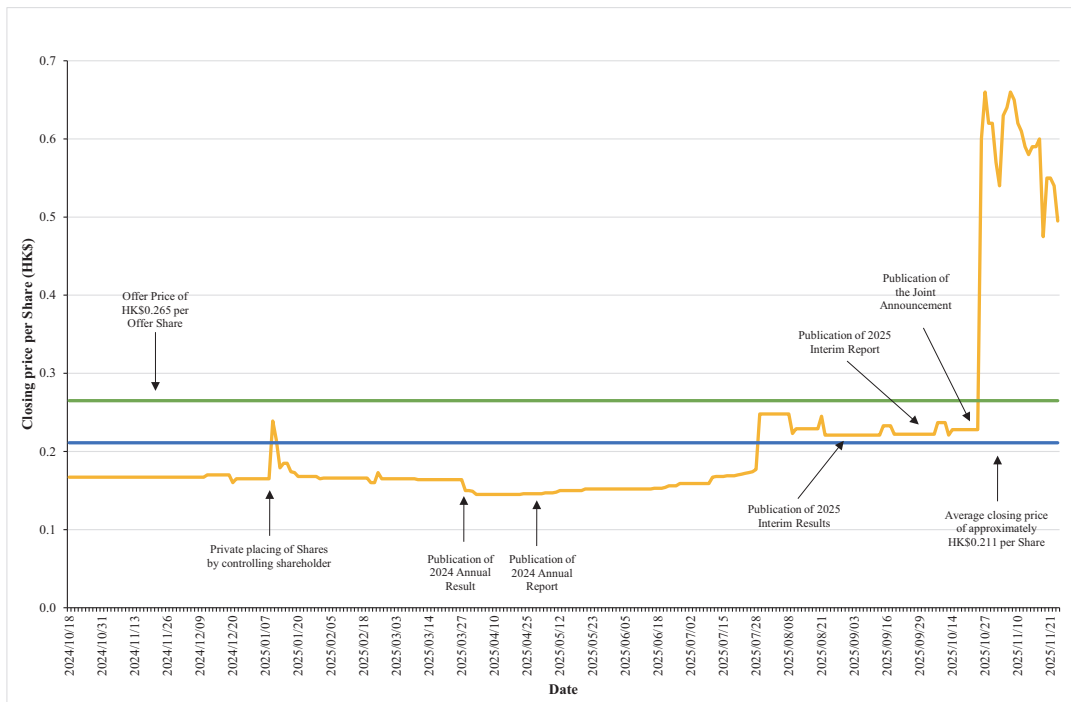
- (i) a discount of approximately 46.46% the closing price of HK\$0.495 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 16.23% over the closing price as quoted on the Stock Exchange on the Last Trading Day of HK\$0.228 per Share;
- (iii) a premium of approximately 16.74% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day of HK\$0.227 per Share;
- (iv) a premium of approximately 15.72% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Last Trading Day of HK\$0.229 per Share;
- (v) a premium of approximately 17.78% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) trading days up to and including the Last Trading Day of HK\$0.225 per Share;
- (vi) a discount of approximately 78.85% to the audited consolidated net asset value attributable to Shareholders of approximately HK\$1.253 per Share, based on the audited consolidated net assets attributable to Shareholders as at 31 December 2024 at the central parity rate of RMB to HK\$ as at 31 December 2024 as announced by the People’s Bank of China and the number of Shares in issue as at the Latest Practicable Date; and
- (vii) a discount of approximately 79.12% to the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$1.269 per Share, based on the unaudited consolidated net assets attributable to Shareholders as at 30 June 2025 at the central parity rate of RMB to HK\$ as at 30 June 2025 as announced by the People’s Bank of China and the number of Shares in issue as at the Latest Practicable Date.

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5.2 Historical performance of the Shares

We have reviewed the movements in the closing price of the Shares for the Review Period. We consider that the length of the Review Period to be reasonably long enough to illustrate the relationship between the historical trend of the closing price of the Shares and the Offer Price and is also a common approach when assessing historical performance of Shares in a general offer. Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 18 October 2024, being the twelve-month period prior to the Last Trading Day and up to and including the Latest Practicable Date (the “**Review Period**”):

Daily closing price of the Shares on the Stock Exchange



Source: the website of the Stock Exchange (www.hkex.com.hk)

Note: Trading of the Shares on the Stock Exchange has been suspended from 20 to 23 October 2025 pending the release of the Joint Announcement.

We noted from the above charts that, during the Review Period, the Shares closed on the Stock Exchange within the range of the lowest of HK\$0.145 per Share during the period from 2 April 2025 to 23 April 2025 to the highest of HK\$0.66 per Share on 6 November 2025. The Offer Price is higher than the average closing price of approximately HK\$0.211 per Share during the Review Period, which represents a premium of approximately 25.5% over the average closing price per Share during the Review Period. We noted that the closing price of the Shares has been below the Offer Price prior to the publication of the Joint Announcement during the Review Period.

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We observed that the closing price of the Shares fluctuated between HK\$0.145 to HK\$0.248 per Share from the start of the Review Period until around mid-May 2024. Subsequent to the announcement in relation to the private placing of the Shares by controlling shareholder of the Company on 9 January 2025, the closing price of the Shares experienced a hike to HK\$0.239 per Share on the same day.

During the period from 24 October 2025 (from the resumption of trading after the release of the Joint Announcement) up to and including the Latest Practicable Date (the “**Post-Announcement Period**”), the Offer Price of HK\$0.265 per Share represents (i) a discount of approximately 44.2% to the lowest closing price of HK\$0.475 per Share; and (ii) a discount of approximately 59.8% to the highest closing price of HK\$0.66 per Share during the Post-Announcement Period. We believe that the aforesaid surge in closing prices of the Share from the start of the Post-Announcement Period was likely linked to the market reaction to the Joint Announcement and driven by the surge in trading volume during the same period, which might be a temporary and unsustainable market reaction to the Offer. During the Post-Announcement Period, we also noted that since the highest closing price of HK\$0.66 per Share as mentioned above, the closing price of the Shares has exhibited a generally decreasing trend and closed at HK\$0.495 per Share on the Latest Practicable Date, while reaching a lowest point of HK\$0.475 per Share on 19 November 2025.

As the Offer Price represents a premium over the average closing price per Share during the Review Period and the closing price of the Shares has been below the Offer Price prior to the publication of the Joint Announcement during the Review Period, from the standpoint of the historical performance of the Shares, we are of the view that the Offer Price is fair and reasonable. However, as the closing price of the Shares experienced a surge from the start of the Post-Announcement Period, which was likely linked to the market reaction to the Joint Announcement and might be a temporary and unsustainable market reaction to the Offer, the Independent Shareholders should also closely monitor the market price of Shares during the Offer Period and should consider selling their Shares in the open market, rather than accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer should they intend to accept the Offer.

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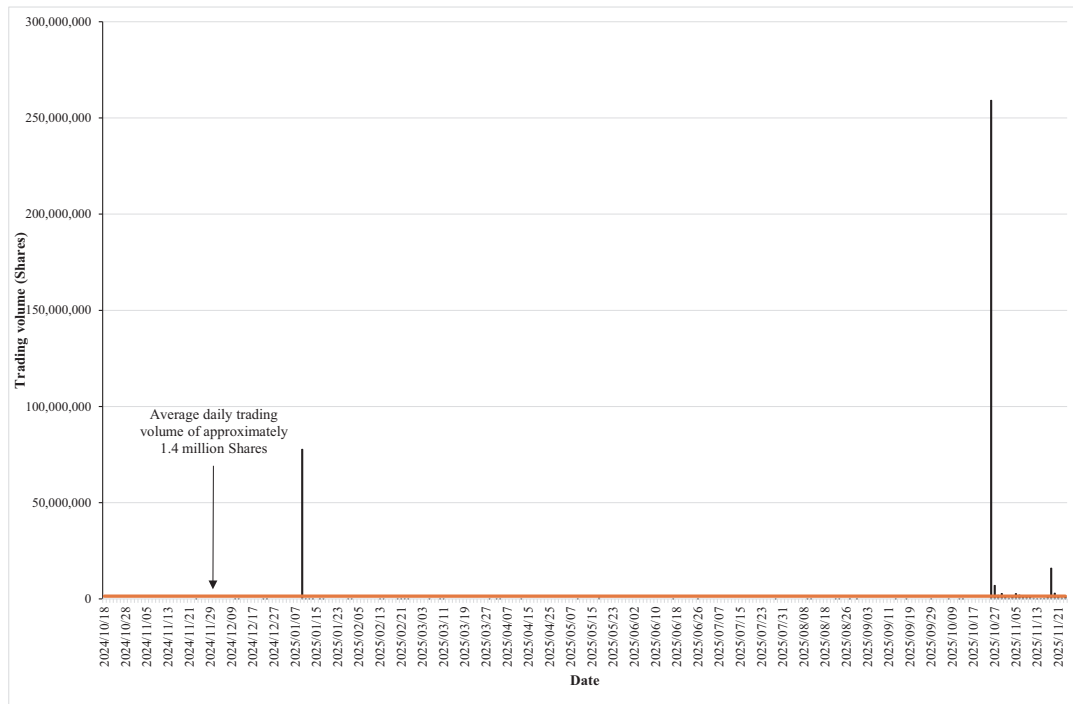
5.3 *Historical trading volume of the Shares*

Set out below are the table and chart showing the daily trading volumes of the Shares on the Stock Exchange during the Review Period:

Month/Period	No. of trading days	Average daily trading volume	% of total issued shares ⁽²⁾	% of public float ⁽³⁾
Oct 2024 (from 18 October 2024)	10	0	0.0000%	0.0000%
Nov 2024	21	2,095	0.0005%	0.0016%
Dec 2024	20	8,200	0.0018%	0.0064%
Jan 2025	19	4,105,474	0.9064%	2.0003%
Feb 2025	20	15,400	0.0034%	0.0075%
Mar 2025	21	2,667	0.0006%	0.0013%
Apr 2025	19	5,684	0.0013%	0.0028%
May 2025	20	25,600	0.0057%	0.0125%
Jun 2025	21	2,095	0.0005%	0.0010%
Jul 2025	22	4,364	0.0010%	0.0021%
Aug 2025	21	6,286	0.0014%	0.0031%
Sep 2025	22	2,182	0.0005%	0.0011%
Oct 2025 ⁽¹⁾	16	16,993,025	3.7517%	8.2796%
Nov 2025 (up to the Latest Practicable Date)	17	1,978,353	0.4368%	0.9639%

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Daily trading volume of the Shares on the Stock Exchange



Source: the website of the Stock Exchange (www.hkex.com.hk)

Notes:

- (1) Trading of the Shares on the Stock Exchange has been suspended from 20 to 23 October 2025 pending the release of the Joint Announcement.
- (2) Calculated based on average daily trading volume over the month/period divided by the total number of 452,948,000 Shares in issue as at the end of each month/period during the Review Period.
- (3) Calculated based on average daily trading volume over the month/period divided by the total number of public shares at each month/period end according to the announcements of the Company disclosing relevant information regarding the public float of the Company.

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Trading volume of the Shares during the Review Period

The daily trading volume of the Shares on the Stock Exchange has been thin during the Review Period, given that it had only recorded 32 out of 269 trading days with over 40,000 Shares (which is 10 board lots based on 4,000 Shares per board lot as at the Latest Practicable Date) during the Review Period, for which a majority were on the days after the publication of the Joint Announcement, where a surge in trading volume was recorded (notably on 24 October 2025 where approximately 259.1 million Shares were traded). The issued shares of the Company of 452,948,000 Shares remained the same during the Review Period and up to the Latest Practicable Date.

The average daily trading volume of the Shares on the Stock Exchange amounted to approximately 1.4 million Shares during the Review Period, representing approximately 0.3% of the Company's issued share capital as at the Latest Practicable Date, or representing ranging from approximately no trading at all throughout October 2024 (from 18 October 2024) to approximately 17.0 million Shares, or approximately 3.75% in terms of percentage to the total number of total issued Shares and approximately 8.28% in terms of percentage to the public float of the Company as at the end of the respective month, in October 2025.

There are only 22 trading days which recorded trading volume of more than 0.5% of the issued share capital of the Company during the Review Period. It indicates that the liquidity of the Shares had been inactive during the Review Period not to mention that there has been more than 204 out of 269 trading days during the Review Period which recorded zero trading volume.

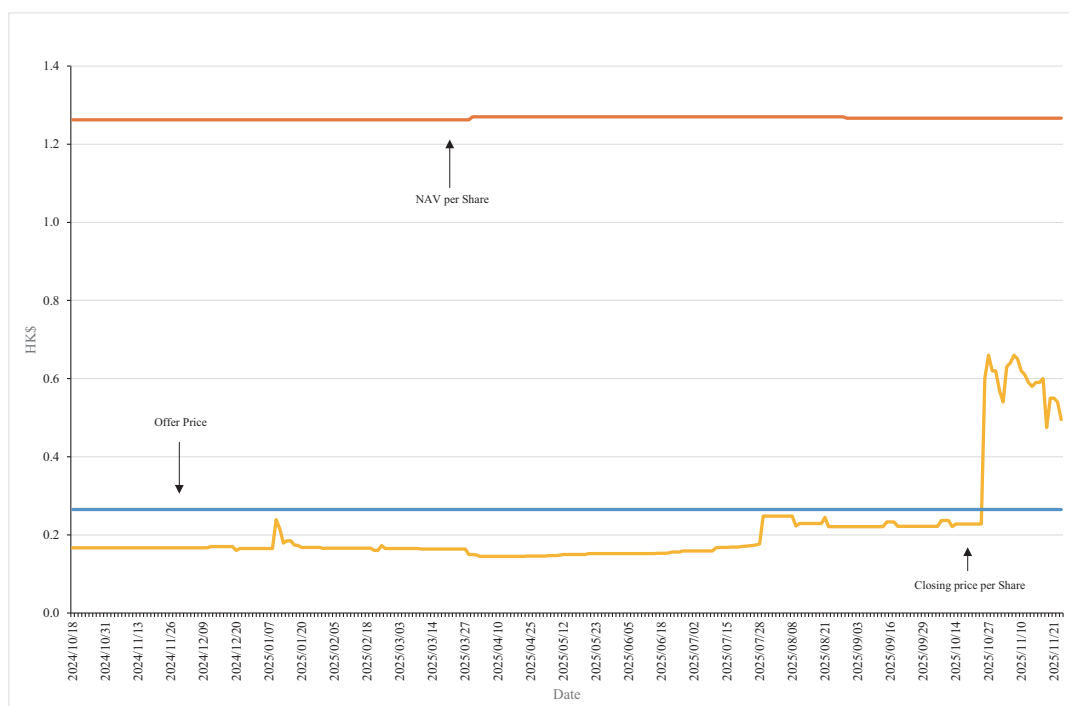
Given the thin historical daily trading volume of the Shares during the Review Period, it is uncertain as to whether there is sufficient liquidity for the Independent Shareholders to dispose of a significant number of Shares on the Stock Exchange without creating downward pressure on the Share price on the market. As such, we are of the view that the prevailing market price of the Shares may not necessarily reflect the actual proceeds that the Independent Shareholders (especially those with more sizeable holdings) may receive if they elect to dispose of their Shares on the open market. Therefore, we are of the view that the Offer represents an opportunity for the Independent Shareholders, particularly for those who hold a large volume of the Shares, to dispose of part or all of their Shares at the Offer Price if they so wish to. The Independent Shareholders who wish to realise their investments in the Group are reminded that they should carefully and closely monitor the market price of the Shares during the Offer Period.

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5.4 Historical discounts to net asset value per Share

The Offer Price represents a discount of approximately 79.1% to the unaudited consolidated net asset value attributable to Shareholders (“NAV”) of approximately HK\$1.269 per Share as at 30 June 2025. The chart below illustrates the historical closing prices of the Shares as quoted on the Stock Exchange during the Review Period, and up to the Latest Practicable Date against the Offer Price and the latest available NAV of the Company at the relevant time.

NAV per Share



Source: the website of the Stock Exchange (www.hkex.com.hk)

Note: The NAV per Share was calculated based on the latest available net assets as set out in the respective interim or annual results of the Company at the relevant time, divided by the total number of Shares in issue.

As shown in the chart above, the Shares have been trading at a substantial discount to the NAV per Share for most of the time during the Review Period. The Offer Price represents a lesser discount of approximately 79.1% to the NAV of approximately HK\$1.269 per Share as at 30 June 2025, where the Shares have been trading at an average discount of approximately 83.3% to the NAV over the Review Period. In addition, as the Shares have been trading at a discount to the NAV during the entire the Review Period and the Offer Price represents a lesser discount to the NAV than the average discount that the Shares have been trading at during the Review Period in turn, implies that the Offer Price represents a better valuation than that of how market has been valuing the Shares from the NAV perspective. On this basis, we are of the view that the Offer Price is fair and reasonable from the perspective of the NAV per share so far as the Independent Shareholders are concerned.

5.5 Comparative Analysis

In order to further assess the fairness and reasonableness of the Offer Price, we have considered the price-to-book ratio (the “**P/B Ratio**”), the price-to-earnings ratio (the “**P/E Ratio**”) and dividend yield which are commonly adopted trading multiple analyses. Given that the Group was loss-making for the years ended 31 December 2022, 2023 and 2024 and no dividend was distributed for the years ended 31 December 2022, 2023 and 2024, we were unable to analyse with reference to P/E Ratio and dividend yield. Accordingly, we consider the P/B Ratio to be an appropriate indicator of the fair values of the comparable companies.

As at the Latest Practicable Date, the Company had 452,948,000 Shares in issue. On the basis of the Offer Price being HK\$0.265 per Offer Share, the total issued share capital of the Company would be valued at HK\$120,031,220. The P/B Ratio of the Company implied by the Offer Price is approximately 0.2 times (the “**Implied P/B Ratio**”) based on the unaudited consolidated net assets attributable to Shareholders as at 30 June 2025.

For the purpose of comparison, we have identified an exhaustive list of 3 other listed companies on the Stock Exchange based on the criteria that at least 75% of its revenue for the latest full financial year was generated from the provision of sales, production and trading of food and meat products and breeding and trading of livestock and poultry in the PRC, which is similar to that of the Company (the “**Peer Comparable(s)**”). We noted that the theoretical market capitalisation of the Company was only approximately HK\$120.0 million with reference to the Offer Price, we would limit the selection from a market capitalisation perspective, as other 2 comparable companies within the above selection are with market capitalisation of above HK\$5 billion, which are disproportionally larger than that of the Company. Nonetheless, in order to provide a limited number of comparable companies in our analysis for the Independent Shareholders, we would include our search to small-cap listed companies of market capitalisation of less than HK\$1 billion in search for boarder comparables for comparison.

Although the number of the Peer Comparables were limited, we are of the view that the valuation of the peer listed companies is comparable to that of the Company because the Peer Comparables also engage in the provision of sales, production and trading of food and meat products and breeding and trading of livestock and poultry in the PRC, and we consider that the Peer Comparables represent the companies operating in the same business segment and in the same geographical location to that of the Company. Based on the above, having considered the exhaustive list of Peer Comparables having met the selection criteria, we are of the view that the Peer Comparables are representative samples and it is fair and reasonable for the Peer Comparables to represent companies similar to that of the Company for comparison purpose and thus provide a limited reference of the valuation based on market trading prices of companies for the Independent Shareholders to take reference of.

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The table below illustrates the market capitalisation and net asset value of the Peer Comparables as well as the calculated P/B Ratio:

Company name (Stock code)	Principal activities	Market capitalisation as at the Last Trading Day	Net asset value (Note 1)	P/B ratio
China Yurun Food Group Ltd (1068)	Principally engaged in provision of a wide range of meat (chilled and frozen) and processed meat (low temperature meat products and high temperature meat products) with a particular focus on pork products	HK\$251.5 million	Net liabilities of HK\$716.0 million	N/A (Note 3)
GDH Guangan (Holdings) Ltd (1203)	Principally engaged in the distribution and trading of fresh and live foodstuffs and provision of slaughtering services	HK\$798.7 million	HK\$2.7 billion	0.3 times
Huisheng International Holdings Ltd (1340)	Principally engaged in pig slaughtering and meat trading	HK\$40.6 million	HK\$390.2 million	0.1 times
The Company (834) (The Offer)	Principally engaged in the production and trading of food products, breeding and sale of livestock, poultry and rabbits	HK\$120.0 million (Note 2)	HK\$524.0 million	0.2 times

Source: the website of the Stock Exchange (www.hkex.com.hk) and the financial reports of the respective Peer Comparables

Notes:

1. The P/B Ratios of the Peer Comparables are calculated based on the market capitalisation of the respective Peer Comparable as at the Last Trading Day divided by the net assets value of the respective Peer Comparable as extracted from their respective latest published interim or annual results as at the Last Trading Day.
2. The Implied P/B Ratio is calculated based on the theoretical market capitalisation of the Company with reference to the Offer Price.
3. P/B ratio is not applicable due to the net liabilities position of China Yurun Food Group Ltd (1068) as at 30 June 2025.

As illustrated in the table above, the Implied P/B Ratio of the Company calculated based on the theoretical market capitalisation of the Company with reference to the Offer Price is approximately 0.2 times, which is similar to the average of approximately the Peer Comparables and within range of approximately 0.1 to 0.3 times. Accordingly, this indicates the implied valuation of the Company based on the Offer Price is within range of the valuations of the Peer Comparables based on their respective closing share prices from the perspective of P/B Ratio. On this basis, as a limited reference for the Independent Shareholders, we are of the view that the Offer Price is fair and reasonable from a price-to-book valuation standpoint.

5.6 General offer precedents

We are of the view that past general offer transactions of companies listed on the Stock Exchange may not be a good reference for assessing the fairness and reasonableness of the Offer Price considering these companies are from different industries, which therefore have different market fundamentals and prospects. Accordingly, we consider the analysis in the sections above to be more relevant for the Independent Shareholders.

5.7 Conclusion

We noted that:

- (i) the Offer Price of HK\$0.265 per Share represents premium over the closing price of the Shares during the entire Review Period prior to the publication of the Joint Announcement, representing a premium of approximately 25.5% over the average closing price of HK\$0.211 per Share during the Review Period and up to approximately 82.8%;
- (ii) the Offer Price of HK\$0.265 per Share represents a discount of approximately 55.1% to the average closing price of approximately HK\$0.59 per Share during the Post-Announcement Period, which was driven by the recent volatility and surge in closing price of the Shares after the publication of the Joint Announcement and might be a temporary and unsustainable market reaction to the Offer;
- (iii) the thin historical daily trading volume of the Shares during the Review Period may raise uncertainty as to whether there is sufficient liquidity for the Independent Shareholders to dispose of a significant number of Shares on the Stock Exchange without creating downward pressure on the Share price on the market, particularly for those who hold a large volume of the Shares;
- (iv) the P/B Ratio of the Company implied by the Offer Price of approximately 0.2 times is similar to the average and within range of the P/B ratios of the Peer Comparables, as a limited reference for the Independent Shareholders; and
- (v) the Offer Price represents a lesser discount of approximately 79.1% to the NAV of approximately HK\$1.269 per Share as at 30 June 2025 than the average discount of 83.3% to the NAV that the Shares has been trading at over the Review Period, which, in turn, implies that the Offer Price represents a better valuation than that of how market has been valuing the Shares from the NAV perspective.

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While the Offer Price represents a discount to the average closing price during the Post-Announcement Period, which might be a temporary and unsustainable market reaction, as illustrated in the above (ii), considering that the Offer Price represents a premium to the prevailing closing price of the Shares prior to the Joint Announcement and a lesser discount to the NAV, as illustrated in the above (i) and (v); the implied P/B Ratio of the Offer Price is within range of the Peer Comparables perspective, as illustrated in the above (iv), and that the Offer represents an opportunity for the Independent Shareholders to dispose of their Shares with the uncertainties as illustrated in the above (iii), on balance, we are of the view that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

6. Public float and maintaining the listing status of the Company

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury 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, it will consider exercising its discretion to suspend dealings in the Shares. In such event, trading in the Shares on the SGX-ST may also be suspended.

As disclosed in the Letter from DL Securities, the Offeror intends the Company to remain listed on the Stock Exchange and the SGX-ST. Mr. Gao, the sole director of the Offeror, and the new Director(s) to be appointed (if any) to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

Therefore, it should be noted that upon the close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Further announcement(s) regarding the restoration of public float (if any) will be made by the Company as and when appropriate.

RECOMMENDATION

Based on the foregoing, having considered the aforementioned principal factors and reasons for the Offer, we noted that:

- (i) the Offer Price represents premium of over the closing price of the Shares during the entire Review Period prior to the publication of the Joint Announcement, representing a premium of approximately 25.5% over the average closing price per Share during the Review Period and up to approximately 82.8%, as discussed in paragraphs headed "5.7 Conclusion" in this letter;
- (ii) the Offer Price of HK\$0.265 per Share represents a discount of approximately 55.1% to the average closing price of approximately HK\$0.59 per Share during the Post-Announcement Period, which was driven the recent volatility and surge in closing price of the Shares after the publication of the Joint Announcement might be a temporary and unsustainable market reaction to the Offer, as discussed in paragraphs headed "5.7 Conclusion" in this letter;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iii) the thin historical daily trading volume of the Shares during the Review Period may raise uncertainty as to whether there is sufficient liquidity for the Independent Shareholders to dispose of a significant number of Shares on the Stock Exchange without creating downward pressure on the Share price on the market, particularly for those who hold a large volume of the Shares, as discussed in paragraphs headed “5.3 Historical trading volume of the Shares” in this letter;
- (iv) the Offer Price represents a lesser discount of approximately 79.1% to the NAV of approximately HK\$1.269 per Share as at 30 June 2025 than the average discount of 83.3% to the NAV that the Shares has been trading at over the Review Period, which, in turn, implies that the Offer Price represents a better valuation than that of how market has been valuing the Shares from the NAV perspective, as discussed in paragraphs headed “5.4 Historical discounts to net asset value per Share” in this letter; and
- (v) the Group has been making losses for FY2023, FY2024 and HY2025 and the Group’s outlook and prospects remain uncertain, as discussed in the paragraphs headed “4. Future prospects and outlook of the Group” in this letter.

Considering that the Offer Price is higher than the closing price of the Shares during the entire Review Period prior to the publication of the Joint Announcement, the recent volatility and surge in closing price of the Shares after the publication of the Joint Announcement might be a temporary and unsustainable market reaction to the Offer, and that the Offer represents an opportunity for the Independent Shareholders to dispose of their Shares given the thin historical daily trading volume of the Shares during the Review Period, on balance, we are of the view that the Offer is fair and reasonable so far as the Independent Shareholders are concerned.

However, in view of the recent volatility of the closing prices of the Shares, those Independent Shareholders who intend to accept the Offer are reminded that they should closely monitor the market price of Shares during the Offer Period and should consider selling their Shares in the open market, rather than accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer. On this basis, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to accept the Offer if the amount they can receive under the Offer is higher than the net proceeds from the sale of such Shares in the open market.

In addition, we would like to remind the Independent Shareholders that they should bear in mind the potential difficulties they may encounter in disposing of the Shares after the close of the Offer in view of the historical low trading liquidity of the Shares and there is no guarantee that the prevailing level of the Share price will sustain during and after the Offer Period. The Independent Shareholders are strongly advised that the decision to realise or to continue to hold the Shares is subject to individual circumstances and investment objectives of the Independent Shareholders. In any event, the Independent Shareholders should note that there is no certainty that the current trading volume and/or current trading price level of the Shares will be sustainable during or after the Offer Period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Shareholders are also reminded to read carefully the procedures for acceptance of the Offer, details of which are set out in Appendix I to the Composite Document and the accompanying Acceptance Form(s), if they wish to accept the Offer.

Yours faithfully,
For and on behalf of
Alpha Financial Group Limited
Cheng Chi Ming, Andrew
Managing Director

Yours faithfully,
For and on behalf of
Alpha Financial Group Limited
Irene Ho
Vice President

Mr. Cheng Chi Ming, Andrew is the Managing Director of Alpha Financial Group Limited and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Cheng has over 22 years of experience in the corporate finance industry in Hong Kong.

Ms. Irene Ho is the Vice President of Alpha Financial Group Limited and is licensed under the SFO as a Responsible Officer to conduct Type 6 (advising on corporate finance) regulated activities (under the licensing condition that in the capacity as an adviser to a client on matters/ transactions falling within the ambit of the Takeovers Code, act together with another adviser not subject to the same condition). Ms. Ho has over 11 years of experience in the corporate finance industry in Hong Kong.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER FOR HONG KONG SHAREHOLDERS

- (a) To accept the Offer, you should complete and sign the accompanying Acceptance Form(s) in accordance with the instructions printed thereon, which form part of the terms of the Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect hereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Acceptance Form(s) together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, to the Registrar HK, marked “China Kangda Food Company Limited – General Offer” on the envelope, as soon as possible and in any event so as to reach the Registrar HK by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Acceptance Form(s) together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar HK by no later than 4:00 p.m. on the Closing Date; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar HK, and deliver the duly completed and signed Acceptance Form(s) together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar HK by no later than 4:00 p.m. on the Closing Date; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Acceptance Form(s) should nevertheless be completed and signed and delivered to the Registrar HK together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar HK as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar HK a letter of indemnity which, when completed in accordance with the instructions given, should be delivered to the Registrar HK. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Acceptance Form(s) and deliver it to the Registrar HK together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or DL Securities and/or their respective agent(s) to collect from the Company or the Registrar HK on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar HK on your behalf and to authorise and instruct the Registrar HK to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar HK with the Acceptance Form(s).

- (f) Acceptance of the Offer will be treated as valid only if the duly completed and signed Acceptance Form(s) is received by the Registrar HK by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code) and the Registrar HK has recorded that the Acceptance Form(s) and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (f)); or
 - (iii) certified by the Registrar HK or the Stock Exchange.
- (g) If the Acceptance Form(s) is executed by a person other than the registered Shareholders, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar HK must be produced.
- (h) In Hong Kong, seller's ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (i) No acknowledgement of receipt of any Acceptance Form(s), share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

2. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER FOR SINGAPORE SHAREHOLDERS**(a) Depositors**

- (i) **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive this Composite Document together with the FAA SG. If you do not receive the FAA SG, you may obtain a copy of such FAA SG, upon production of satisfactory evidence that you are a Shareholder, from CDP by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com).

Acceptance. If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:

- (1) complete the FAA SG in accordance with the provisions and instructions in this Composite Document and the FAA SG (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAA SG or the relevant section in the electronic form of the FAA SG, the number of Offer Shares in respect of which you wish to accept the Offer. If you:

(I) do not specify such number; or

(II) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, by 4:00 p.m. (Singapore time) on the Closing Date),

you shall be deemed to have accepted the Offer in respect of all the Offer Shares standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt or 4:00 p.m. on the Closing Date (if the FAA SG is received by CDP on the Closing Date);

- (2) if paragraph 2(a)(i)(1)(II) above applies and at the time of verification by CDP of the FAA SG on the Date of Receipt, there are outstanding settlement instructions with CDP to receive further Offer Shares into the “Free Balance” of your Securities Account (“**Unsettled Buy Position**”), and the Unsettled Buy Position settles such that the Offer Shares in the Unsettled Buy Position are transferred to the “Free Balance” of your Securities Account at any time during the period the Offer is open, up to 4:00 p.m. on the Closing Date (“**Settled Shares**”), you shall be deemed to have accepted the Offer in respect of the balance number of Offer Shares inserted in Part A of the FAA SG or the relevant section of the electronic form of the FAA SG which have not yet been accepted pursuant to paragraph 2(a)(i)(1)(II) above, or the number of Settled Shares, whichever is less;

- (3) If you are submitting the FAA SG in physical form, sign the FAA SG in accordance with this Composite Document and the instructions printed on the FAA SG; and
- (4) deliver the completed and signed FAA SG in its entirety (no part may be detached or otherwise mutilated):

- (I) **by post**, in the enclosed pre-addressed envelope at your own risk, to Hong Kong Sheng Yuan Holding Co., Limited c/o The Central Depository (Pte) Limited, Privy Box No. 920764, Singapore 929292; or

- (II) in **electronic form**, via SGX's Investor Portal at <investors.sgx.com>,

in each case so as to arrive not later than 4:00 p.m. on the Closing Date. If the completed and signed FAA SG is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Composite Document and the accompanying FAA SG to the purchaser or transferee, as CDP will arrange for a separate Composite Document and FAA SG to be sent to the purchaser or transferee. Purchasers of the Offer Shares should note that CDP will, for and on behalf of the Offeror, send a copy of this Composite Document and the FAA SG by ordinary post at the purchasers' own risk to their respective addresses as they appear in the records of CDP.

If you are a Depository Agent, you may accept the Offer via Electronic Acceptance. Such Electronic Acceptance must be submitted not later than 4:00 p.m. on the Closing Date. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA SG and this Composite Document as if the FAA SG had been completed and delivered to CDP.

- (ii) **Depositors whose Securities Accounts will be credited with Offer Shares.** If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the "Free Balance" of your Securities Account, you should also receive this Composite Document together with the FAA SG. If you do not receive the FAA SG, you may obtain a copy of such FAA SG, upon production of satisfactory evidence that you are a Shareholder, from CDP by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com).

Acceptance. If you wish to accept the Offer in respect of such Offer Shares, you should, AFTER the "Free Balance" of your Securities Account has been credited with such number of Offer Shares:

- (1) complete and sign the FAA SG in physical form, in accordance with the instructions in this Composite Document and the FAA SG; and
- (2) submit the completed and signed FAA SG in its entirety (no part may be detached or otherwise mutilated):

(I) **by post**, in enclosed pre-addressed envelope at your own risk, to Hong Kong Sheng Yuan Holding Co., Limited c/o The Central Depository (Pte) Limited, Privy Box No. 920764, Singapore 929292; or

(II) **in electronic form**, via SGX's Investor Portal at <investors.sgx.com>,

in each case so as to arrive not later than 4:00 p.m. on the Closing Date. If the completed and signed FAA SG is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

(iii) **Depositors** whose **Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to the "Free Balance" of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the "Free Balance" of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the "Free Balance" of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares.

(iv) **Rejection.** If upon receipt by CDP, on behalf of the Offeror, of the FAA SG, it is established that the Offer Shares specified in the FAA SG have not been or will not be credited to the "Free Balance" of your Securities Account (as, for example, where you are selling or have sold such Offer Shares), then your acceptance is liable to be rejected and none of CDP, DL Securities and the Offeror (and, for the avoidance of doubt, any of the Offeror's related corporations) accepts any responsibility or liability for such a rejection, including the consequences thereof.

If you purchase Offer Shares on the SGX-ST during the Offer Period and on a date close to the Closing Date, your acceptance of the Offer in respect of such Offer Shares is liable to be rejected if the "Free Balance" of your Securities Account is not credited with such Offer Shares by the Date of Receipt or by 4:00 p.m. on the Closing Date (if the FAA SG is received by CDP on the Closing Date), unless paragraph 2(a)(i)(1)(II) read together with paragraph 2(a)(i)(2) of this Appendix I apply. If the Unsettled Buy Position does not settle by 4:00 p.m. on the Closing Date, your acceptance in respect of such Offer Shares will be

rejected. None of CDP, DL Securities and the Offeror (and, for the avoidance of doubt, any of the Offeror's related corporations) accepts any responsibility or liability for such a rejection, including the consequences thereof.

- (v) **FAA SG received on Saturday, Sunday and public holidays.** For the avoidance of doubt, any FAA SG received by CDP, for and on behalf of the Offeror, on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.
- (vi) **General.** No acknowledgement will be given by CDP for submissions of the FAA SG. All communications, notices, documents and payments to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify such number in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service, or (ii) through the CDP Phone Service using SMS OTP, under the option "To check your securities balance".
- (vii) **Blocked Balance.** Upon receipt of the FAA SG which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Offer from the "Free Balance" of your Securities Account to the "Blocked Balance" of your Securities Account. Such Offer Shares will be held in the "Blocked Balance" until the consideration for such Offer Shares has been despatched to you.
- (viii) **Notification.** If you have accepted the Offer in accordance with the provisions and instructions of the Composite Document and the FAA SG, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price which will be credited directly into your designated bank account for Singapore Dollars via CDP's Direct Crediting Service ("DCS") on the payment date as soon as practicable and in any event in respect of acceptances of the Offer which are complete and valid in all respects and are received before the Offer closes, no later than seven (7) Business Days following the Date of Receipt.

The currency conversion of the Offer Price to Singapore Dollars will be effected at the prevailing rate of exchange between Hong Kong Dollars and Singapore Dollars on the relevant date of crediting to your designated bank account for Singapore Dollars in accordance with the CDP's Currency Conversion Service ("CCY").

If you are a CDP Securities Account holder with DCS, CCY is automatically provided. If you wish to receive your payment of the Offer Price in Hong Kong Dollars, you must OPT OUT of CCY no later than three (3) Business Days before the payment date, failing which, payment of the Offer Price to you will be

in Singapore Dollars based on the currency exchange rate as may be determined by CDP in accordance with the CCY. For details on DCS and CCY, please visit investors.sgx.com.

In the event you are not subscribed to CDP's DCS, any monies to be paid shall be credited to your Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein).

- (ix) **No Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA SG will be rejected.

(b) Scripholders

- (i) **Shareholders whose Offer Shares are not deposited with CDP.** If you hold Offer Shares which are not deposited with CDP ("**in scrip form**"), you should receive this Composite Document together with a FAT SG. If you do not receive the FAT SG, you may obtain a copy of such FAT SG, upon production of satisfactory evidence that you are a Shareholder, from B.A.C.S. Private Limited at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896.

- (ii) **Acceptance.** If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:

- (1) Complete the FAT SG in accordance with the provisions and instructions in this Composite Document and the FAT SG (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAT SG the number of Offer Shares in respect of which you wish to accept the Offer and state in Part B of the FAT SG the share certificate number(s) of the relevant share certificate(s). If you:

- (I) do not specify a number in Part A of the FAT SG; or
- (II) specify a number in Part A of the FAT SG which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the FAT SG,

you shall be deemed to have accepted the Offer in respect of all the Offer Shares represented by the share certificate(s) accompanying the FAT SG;

- (2) Sign the FAT SG in accordance with this Composite Document and the instructions printed on the FAT SG; and

(3) Deliver:

- (I) the completed and signed FAT SG in its entirety (no part may be detached or otherwise mutilated);
- (II) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or Registrar SG relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the register of members of the Company maintained by Registrar SG as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the constitutive document of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Composite Document and the FAT SG;
- (III) where such Offer Shares are not registered in your name, a transfer form, duly completed and executed by the person in whose name such Offer Shares is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or transferee or a person authorised by either one of them);
- (IV) any other relevant document(s),

either **by hand** to Hong Kong Sheng Yuan Holding Co., Limited c/o B.A.C.S. Private Limited, 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or by post, in the enclosed pre-addressed envelope at your own risk, to Hong Kong Sheng Yuan Holding Co., Limited c/o B.A.C.S. Private Limited, 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, in either case so as to arrive not later than 4:00 p.m. on the Closing Date. If the completed and signed FAT SG is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

- (iii) **Unavailable/lost Share certificate(s).** If you are recorded in the register of members of the Company maintained by Registrar SG as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the constitutive document of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Composite Document and the FAT SG. If your share certificate(s) or transfer form(s) and/or other relevant document(s) required by the Offeror, is/are not readily available or is/are lost, please contact B.A.C.S. Private Limited at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896. The FAT SG should nevertheless be completed and delivered as above if you wish to accept the Offer. The unavailable/missing share certificate(s) and/or transfer forms(s) and/or any

other document(s) of title (and/or satisfactory indemnities or appropriate statutory declarations required in respect thereof) should be forwarded as soon as possible thereafter but in any event before 4:00 p.m. on the Closing Date.

- (iv) **Receipt.** No acknowledgement of receipt of any FAT SG, share certificate(s), other document(s) of title, transfer form(s) and/or any other accompanying document(s) will be given.
- (v) **FATs SG received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FATs SG received by Registrar SG, for or on behalf of the Offeror, on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.

3. SETTLEMENT OF THE OFFER FOR HONG KONG SHAREHOLDERS

- (a) Provided that a valid Acceptance Form(s) and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are complete and in good order in all respects and have been received by the Registrar HK by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code), a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Registrar HK of the duly completed acceptances of the Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.
- (b) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.
- (c) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

4. SETTLEMENT OF THE OFFER FOR SINGAPORE SHAREHOLDERS

Subject to the receipt by the Offeror from accepting Singapore Shareholders of valid acceptances and all relevant documents required by the Offeror (c/o CDP or Registrar SG, as the case may be) which are complete in all respects and in accordance with the instructions given in this Composite Document and in the FAA SG or the FAT SG (as the case may be) and in the case of Depositors, the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Singapore Shareholders in acceptance of the Offer stand to the credit of the “Free Balance” of their respective Securities Account at the relevant time(s), payment in the form of demand drafts denominated in HK\$ drawn on a bank in Singapore for the appropriate amounts will be despatched (or by such other manner as the accepting Singapore Shareholders may have agreed with CDP for the payment of any cash distribution), to the accepting Singapore Shareholders (or in the case of Singapore Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post, at the risk of the accepting Singapore Shareholders, as soon as practicable, but in any case within 7 business days following the Date of Receipt.

No stamp duty is payable in Singapore on the transfer of scripless shares through the book entry securities system maintained by CDP.

5. ACCEPTANCE PERIOD AND REVISIONS

- (a) In order to be valid for the Offer, the Acceptance Form(s) must be received by the Registrar HK in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive.
- (b) The Offeror and the Company will jointly publish an announcement on the Stock Exchange’s website (with a copy made available on the website of the SGX-ST) no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.
- (c) If the Offer is extended or revised, the Offeror and the Company will jointly publish an announcement on the Stock Exchange’s website, and the announcement of such extension or revision will state the next closing date or that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days’ notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer.
- (d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer will be kept open for at least fourteen (14) days after the date of the revised Offer document.
- (e) If the Closing Date is extended, any reference in this Composite Document and in the Acceptance Form(s) to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

6. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

7. ANNOUNCEMENTS

- (a) By 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must post an announcement in accordance with the requirements of the Listing Rules on the Stock Exchange's website (with a copy of the same announcement made available on the website of the SGX-ST) by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended, or has expired. The announcement will state the total number of Shares and rights over Shares:
- (i) for which acceptances of the Offer have been received;
 - (ii) held, controlled or directed by the Offeror and/or Offeror Concert Parties before the Offer Period; and
 - (iii) acquired or agreed to be acquired during the Offer Period by the Offeror and/or Offeror Concert Parties.

The announcement must include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or Offeror Concert Parties have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances as of the Closing Date, only valid acceptances that are in all respects complete, in good order and fulfill the acceptance conditions set out in this Appendix, and which have been received by the Registrar HK, Registrar SG and CDP or the Company (as the case may be) no later than 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive, shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

- (d) As required under the Listing Manual of Singapore Exchange Securities Trading Limited, any information and documents released on the Stock Exchange must be released at the same time, in English, on the SGX-ST.

8. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the sub-paragraph (b) below.
- (b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “5. Announcements” above), the Executive may require that acceptors of the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror, Registrar HK and Registrar SG shall, as soon as possible but in any event no later than seven (7) Business Days after the Offer is withdrawn, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Offer Shares lodged with the Acceptance Form(s) to the relevant Independent Shareholders or deposit the relevant shares to the securities account of the Independent Shareholder (in the case of acceptance made with FAA SG) at their own risks.

9. OVERSEAS SHAREHOLDERS

The Offeror is making the Offer available to all Independent Shareholders, including Independent Shareholders’ whose Shares are traded on the SGX-ST. A copy of this Composite Document is available on the website of the SGX-ST at www.sgx.com. As the Offer to persons with a registered address in a jurisdiction outside Hong Kong and Singapore may be affected by the laws of the relevant overseas jurisdictions, the Overseas Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong and Singapore should inform themselves about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. 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 but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Shareholders in respect of the acceptance of the Offer in such jurisdictions.

Where there are potential restrictions on the despatch of the Composite Document, the FAT SG and/or the FAA SG (where applicable) to any Singapore Shareholder in an overseas jurisdiction (other than Hong Kong), each of the Offeror, CDP and the Registrar SG reserves the right not to despatch these documents or any part thereof to such overseas jurisdiction.

The Offeror and the Offeror Concert Parties, the Company, DL Securities, uSmart Securities, the Independent Financial Adviser, or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes or duties as such persons may be required to pay.

Any acceptance by the Independent Shareholders with a registered address in a jurisdiction outside Hong Kong and Singapore will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. For the avoidance of doubt, neither HKSCC, HKSCC Nominees Limited, or CDP will give, or be subject to, any of the above representation and warranty. Such Overseas Shareholders should consult their respective professional advisers if in doubt.

Based on the register of members of the Company, as at the Latest Practicable Date, there was no Overseas Shareholder.

10. TAXATION ADVICE

Independent 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 and the Offeror Concert Parties, the Company, DL Securities, uSmart Securities, the Independent Financial Adviser and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

11. GENERAL

- (a) All communications, notices, Acceptance Form(s), share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror and the Offeror Concert Parties, DL Securities, uSmart Securities, the Independent Financial Adviser and any of their respective directors nor other parties involved in the Offer or any of their respective agents accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Acceptance Form(s) form part of the terms and conditions of the Offer.

- (c) The accidental omission to despatch this Composite Document and/or Acceptance Form(s) or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong and Singapore.
- (e) Due execution of the Acceptance Form(s) will constitute an authority to the Offeror, DL Securities, uSmart Securities and/or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as they may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to the Offeror and DL Securities that the Offer Shares are sold to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to 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 this Composite Document. For the avoidance of doubt, neither HKSCC, HKSCC Nominees Limited, nor CDP will give, or be subject to, any of the above representation and warranty.
- (g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which as indicated in the Acceptance Form(s) is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.
- (h) Any Independent Shareholders accepting the Offer will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- (i) Unless otherwise expressly stated in this Composite Document and/or the Acceptance Form(s), no person other than the Offeror and the accepting Independent Shareholders may enforce any terms of the Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).
- (j) Reference to the Offer in this Composite Document and in the Acceptance Form(s) shall include any extension and/or revision thereof.
- (k) All acceptance, instructions, authorities and undertakings given by the Independent Shareholders in the Acceptance Form(s) shall be irrevocable except as permitted under the Takeovers Code.

- (l) The English text of this Composite Document and the Acceptance Form(s) shall prevail over their respective Chinese text for the purpose of interpretation in case of inconsistency.
- (m) In making their decisions, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Acceptance Form(s), shall not be construed as any legal or business advice on the part of the Offeror and the Offeror Concert Parties, the Company, DL Securities, uSmart Securities, the Independent Financial Adviser or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.
- (n) The Offer is made in accordance with the Takeovers Code.

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited financial information of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024 as extracted from the Company's annual report for the years ended 31 December 2022, 2023 and 2024, respectively, and the unaudited consolidated financial results of the Group for the six months ended 30 June 2025 as extracted from the interim report of the Company for the six months ended 30 June 2025.

	For the year ended or as at 31 December 2022 <i>RMB'000</i> (audited)	For the year ended or as at 31 December 2023 <i>RMB'000</i> (audited)	For the year ended or as at 31 December 2024 <i>RMB'000</i> (audited)	For the six months ended or as at 30 June 2025 <i>RMB'000</i> (unaudited)
Revenue	1,745,787	1,657,308	1,650,509	861,918
Cost of sales	(1,624,242)	(1,562,176)	(1,576,546)	(818,762)
Gross profit	121,545	95,132	73,963	43,156
Other income and other gains	59,137	29,628	11,577	7,976
Selling and distribution costs	(37,837)	(53,318)	(46,122)	(24,697)
Reversal of provision for impairment loss on trade receivables	–	–	5,726	–
Administrative expenses	(68,585)	(47,202)	(36,149)	(15,793)
Provision for impairment loss on trade and bill receivables and other receivables, net	(4,480)	–	–	–
Other operating expenses	(69,292)	(14,523)	(13,731)	(6,609)
Finance costs	(15,175)	(18,030)	(16,901)	(5,394)
Profit/(loss) before taxation	(14,687)	(8,313)	(21,637)	(1,361)
Income tax credit/(expense)	(412)	270	31	37
(Loss)/profit for the period/year	(15,099)	(8,043)	(21,606)	(1,324)
(Loss)/profit for the period/year attributable to:				
– Owners of the Company	(15,417)	(8,353)	(21,473)	(1,535)
– Non-controlling interests	318	310	(133)	211
Total comprehensive income for the period/year attributable to:				
– Owners of the Company	(15,999)	(8,432)	(21,585)	(1,357)
– Non-controlling interests	318	310	(133)	211
(Loss)/earnings per share attributable to owners of the Company:				
–Basic (<i>RMB cents</i>)	(3.56)	(1.93)	(4.86)	(0.35)
–Diluted (<i>RMB cents</i>)	(3.56)	(1.93)	(4.86)	(0.35)

	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025
Assets and liabilities	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (unaudited)
Non-current Assets	645,686	675,241	669,367	633,654
Current Assets	688,221	906,886	654,195	857,735
Current Liabilities	713,173	907,115	680,746	859,008
Net Current Assets/Liabilities	(24,952)	(229)	(26,551)	(1,273)
Net Assets	561,722	553,600	536,364	535,218

No dividend was paid or proposed by the Company during each of the three years ended 31 December 2022, 2023 and 2024, and for the six months ended 30 June 2025. Hence dividends per Share for each of the year ended 31 December 2022, 2023 and 2024 were inapplicable.

There has been no change in the Group's accounting policies which would result in the figures in its consolidated financial statements for each of the three years ended 31 December 2022, 2023 and 2024, and for the six months ended 30 June 2025, being not comparable to a material extent.

The consolidated financial statements of the Group for the year ended 31 December 2022, 2023 and 2024 were audited by BDO Limited.

The consolidated financial statements of the Group for the year ended 31 December 2022 contained disclaimer of opinion related to going concern. The Group (i) incurred a loss attributable to the owners of the Company of approximately RMB15,417,000 during the year ended 31 December 2022, and the Group's current liabilities exceeded its current assets by approximately RMB24,952,000, and (ii) had bank borrowings, amount due to a related party, other borrowings and loans from immediate holding company, with an aggregate amount of approximately RMB385,838,000 as at 31 December 2022 that were due for repayment within one year from 31 December 2022, while the Group only maintained its cash and cash equivalents of RMB197,939,000. The auditors was concerned with the Group's ability to continue as a going concern which will be dependent on the successful outcomes of the Group's plans and measures to mitigate its liquidity pressure as set out in note 3(b) to the consolidated financial statements of the Group.

The consolidated financial statements of the Group for the year ended 31 December 2023 contained disclaimer of opinion related to going concern. The Group incurred a loss attributable to the owners of the Company of approximately RMB8,353,000 during the year ended 31 December 2023, and the Group's current liabilities exceeded its current assets by approximately RMB229,000. As at 31 December 2023, the Group had a loan from a related party of HK\$39,000,000 (equivalent to approximately RMB35,905,000) (the "**Related Party Loan**"). The Company notified the auditors that the Company successfully negotiated an extension for the repayment of the Related Party Loan to 22 April 2025 and provided the relevant extension agreement to the auditors. The auditors was concerned that the extension was merely a postponement of the issue, as the lender (as petitioner) of the Related Party Loan could file a winding-up petition against the Company when the extension period lapses. The auditors was concerned with the Group's ability to continue as a going concern which will be dependent on the successful outcomes of the Group's plans and measures to mitigate its liquidity pressure as set out in note 3(b) to the consolidated financial statements of the Group.

The consolidated financial statements of the Group for the year ended 31 December 2024 contained disclaimer of opinion related to going concern. The Group incurred a loss attributable to the owners of the Company of approximately RMB21,473,000 during the year ended 31 December 2024, and the Group had net current liabilities of approximately RMB26,551,000. The Related Party Loan was set to mature on 22 April 2025. There was another related party loan of the Company of HK\$2,700,000 (equivalent to approximately RMB2,323,000) which was also set to mature on 22 April 2025. As the Company and the lenders were still negotiating on the loan extension agreement, the Company was not able to provide the signed loan extension agreement to the auditors of the Company, accordingly, the auditors issued the disclaimer of opinion on the financial statements of the Company on its going concern, which will be dependent on the successful outcomes of the Group's plans and measures to mitigate its liquidity pressure as set out in note 3(b) to the consolidated financial statements of the Group.

Save as disclosed above, there were no items of any income or expense which are material in respect of the consolidated financial results of the Company for each of the three years ended 31 December 2022, 2023 and 2024, and for the six months ended 30 June 2025.

Save for the Offer, there have been no other significant events of the Company after 30 June 2025.

2. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statements of profit or loss, the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 (the “**2025 Interim Financial Statements**”) have been set out on pages 13 to 26 of the 2025 interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”), which was posted on 26 September 2025 on the website of the Stock Exchange (<http://www.hkexnews.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0926/2025092600799.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2024 (the “**2024 Financial Statements**”) have been set out on pages 85 to 154 of the 2024 annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), which was posted on 30 April 2025 on the website of the Stock Exchange (<http://www.hkexnews.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043001374.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2023 (the “**2023 Financial Statements**”) have been set out on pages 84 to 154 of the 2023 annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”), which was posted on 29 April 2024 on the website of the Stock Exchange (<http://www.hkexnews.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042901079.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2022 (the “**2022 Financial Statements**”) have been set out on pages 84 to 161 of the 2022 annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), which was posted on 28 April 2023 on the website of the Stock Exchange (<http://www.hkexnews.hk>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042801033.pdf>

The 2025 Interim Financial Statements, 2024 Financial Statements, 2023 Financial Statements and the 2022 Financial Statements (but not any other parts of the 2025 Interim Report, the 2024 Annual Report, the 2023 Annual Report or the 2022 Annual Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2025, being the latest practicable date for the purpose of ascertaining this indebtedness statement prior to the printing of this Composite Document, the Group had total indebtedness of RMB354,976,000, details of which are set out as follows:

- (i) interest-bearing bank borrowings of RMB95,400,000 being secured by certain of the Group’s property, plant and equipment, certain of right-of-use assets and certain of bank balance, corporate guaranteed by related companies, and personal guaranteed by a related party;
- (ii) interest-bearing loan from a related company, Hong Kong Over-Success Group Limited (香港鯉魚門集團有限公司), of RMB2,554,000, which is unsecured and unguaranteed;
- (iii) loans from immediate holding company, Zenith Hope Limited, of RMB104,219,000, which are unsecured, interest-free and unguaranteed;
- (iv) loan from a related company, Hong Kong High Quality Limited, of RMB35,714,000, which is unsecured, interest-free and unguaranteed;
- (v) amount due to a related company of RMB22,676,000, which is unsecured, interest-free and unguaranteed;
- (vi) lease liabilities of RMB94,413,000 in relation to certain of the land and buildings, which are unsecured and unguaranteed.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of business on 30 September 2025, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, borrowings or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, or any guarantees or other material contingent liabilities.

4. MATERIAL CHANGES

The Directors confirm that, save for and except for the followings, there has been no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made, up to and including the Latest Practicable Date:

- (a) changes in the financial performance as disclosed in the Interim Report, in particular:
 - (i) the Group reported a loss attributable to owners of the Company of approximately RMB1.5 million for the six months ended 30 June 2025 (“HY2025”), which had decreased by approximately RMB18.8 million, or 92.4%, as compared to a loss of approximately RMB20.3 million for the six months ended 30 June 2024 (“HY2024”), such recovery is mainly due to (1) the increase in gross profit and gross profit margin as a result of an increase in selling price of the products; and (2) increase in other income;
 - (ii) increase in other income of the Group to approximately RMB8.0 million for HY2025, by approximately RMB4.0 million, or 101.2%, from approximately RMB4.0 million for HY2024, which was a net effect of (1) no loss arising from changes in fair value less estimated costs to sell of biological assets; (2) increase in amortization of deferred income on government grant; (3) increase of rental income; and (4) decrease in interest income on financial assets;
 - (iii) increase in other operating expenses of the Group for HY2025 to approximately RMB6.6 million, by approximately RMB6.5 million, from approximately RMB0.1 million in HY2024, where such increase was mainly due to reclassification of depreciation of investment property;
- (b) changes in the financial position as disclosed in the Interim Report, in particular:
 - (i) increase in inventories from approximately RMB105.0 million as at 31 December 2024 to approximately RMB165.2 million as at 30 June 2025;
 - (ii) decrease in cash and cash equivalents from approximately RMB234.2 million as at 31 December 2024 to approximately RMB144.9 million as at 30 June 2025;
 - (iii) decrease in interest-bearing bank borrowings from approximately RMB149.5 million as at 31 December 2024 to approximately RMB95.5 million as at 30 June 2025, such figure remained at a similar level at approximately RMB95.4 million as disclosed in the indebtedness statement;

- (iv) changes in trade and bills payables from approximately RMB269.8 million as at 31 December 2024 to approximately RMB497.6 million as at 30 June 2025, such figure was subsequently reduced by the settlement of relevant bill payables of no less than RMB295 million; and
- (v) changes in pledge deposit from approximately RMB120 million as at 31 December 2024 to approximately RMB309 million as at 30 June 2025, such figure was subsequently reduced with the release of relevant pledge deposits of no less than RMB295 million.

1. RESPONSIBILITY STATEMENTS

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company of HK\$0.25 each as at the Latest Practicable Date were as follows:-

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares	<u>500,000,000</u>
<i>Issued:</i>		
<u>452,948,000</u>	Shares	<u>113,237,000</u>

All issued Shares rank *pari passu* in all respects with each other, including as to rights in respect of capital, dividends and voting.

The Company has not issued any Shares since 31 December 2024, the date to which the latest audited financial statements of the Company were made up.

As at the Latest Practicable Date, save for 452,948,000 Shares in issue, the Company did not have other class of securities, outstanding options, derivatives, warrants, or other securities which are convertible or exchangeable into Shares.

The issued Shares are listed on the Stock Exchange and SGX-ST. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Directors and the chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

(b) Substantial shareholders' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange:

Name of Shareholder	Capacity	Immediately after Completion for the sale and purchase of the First Batch Sale Shares but before Completion for the sale and purchase of the Second Batch Sale Shares and the Offer		Immediately after Completion for the sale and purchase of all Sale Shares but before the Offer	
		Number of Shares	Percentage of interest in the Company's share capital	Number of Shares	Percentage of interest in the Company's share capital
Hong Kong Sheng Yuan Holding Co., Limited (i.e. the Offeror)	Beneficial owner	240,748,400	53.15%	247,708,066	54.69%
Mr. Gao Sishi	Interest of controlled corporation (Note)	240,748,400	53.15%	247,708,066	54.69%
Total		240,748,400	53.15%	247,708,066	54.69%

Note: The Offeror is legally, beneficially and wholly owned by Mr. Gao

Save as disclosed herein, so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES

- (i) During the Relevant Period and up to the Latest Practicable Date, save for the disposal of the Sale Shares pursuant to the Share Purchase Agreement, none of the Directors had dealt for value in, any Shares or any securities, convertible securities, warrants, options, or derivatives in respect of any Shares or securities of the Company.
- (ii) During the Relevant Period and up to the Latest Practicable Date, none of the Company and the Directors had owned or controlled, or had dealt for value in, any shares or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.
- (iii) As at the Latest Practicable Date, none of the Directors was interested within the meaning of Part XV of the SFO in the Shares or any warrants, options, convertible securities or derivatives in respect of any Shares.
- (iv) As at the Latest Practicable Date, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer.
- (v) During the Relevant Period and as at the Latest Practicable Date, none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal trader and exempt fund managers), had owned or controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (vi) During the Offer Period and up to the Latest Practicable Date, save for the Share Purchase Agreement, there was no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(vii) During the Offer Period and up to the Latest Practicable Date, no Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(viii) As at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares.

5. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

- (i) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (ii) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer;
- (iii) save for the Share Purchase Agreement, there was no material contracts had been entered into by the Offeror in which any Director had a material personal interest; and
- (iv) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder and (2) the Company, its subsidiaries or associated companies.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into the following service agreements and letters of appointment with the Directors:

Director	Commencement		Term of service	Remuneration per annum
	date (dd/mm/yyyy)	Expiry date (dd/mm/yyyy)		
Executive Director				
Ms. Lang Ying	26/01/2025	25/01/2026	1 year	HK\$360,000
Mr. Gao Yanxu	26/08/2025	25/08/2026	1 year	HK\$60,000
Mr. An Fengjun	11/03/2025	10/03/2026	1 year	HK\$60,000
Independent Non-Executive Director				
Mr. Hua Shi	26/01/2024	25/01/2027	3 years	HK\$60,000
Ms. Li Ying	26/01/2024	25/01/2027	3 years	HK\$60,000
Mr. Wang Cheng	26/01/2024	25/01/2027	3 years	HK\$60,000

Each of the above Executive Directors is also entitled to a discretionary management bonus determined with reference to the Group's operating results and the relevant Director's performance provided that the aggregate amount of management bonuses payable to all executive Directors in respect of any financial year of the Group shall not exceed 10% of the audited consolidated profit after taxation and minority interest but before extraordinary items and such bonus payments as shown in the Group's audited consolidated accounts for the relevant financial year. Each of their respective appointments of the executive Directors may be terminated by either party giving not less than one month's notice in writing to the other or in accordance with the terms of their respective service contracts.

There is no variable remuneration payable under the terms of the respective appointment letters entered into by the above independent non-executive Directors with the Company. Each of their respective appointments can be terminated by either party giving not less than three months' notice in writing to the other or in accordance with the terms of the appointment letter.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which:

- (i) (including both continuous and fixed term contracts) has been entered into or amended within six months prior to the commencement of the Offer Period on 23 October 2025;
- (ii) was a continuous contract with a notice period of 12 months or more; or
- (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or
- (iv) was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

8. MATERIAL CONTRACTS

Save as disclosed below, no material contracts (being contracts not entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by any member of the Group after the date falling two years before the commencement of the Offer Period up to and including the Latest Practicable Date:

- (a) the placing agreement dated 25 June 2024 entered into between Wanhai Securities (HK) Limited (as placing agent) and the Company (as issuer) in relation to the placing, on a best effort basis, of up to 86,589,600 new Shares at the placing price of HK\$0.25 per placing Share under general mandate for net proceeds of approximately HK\$4.9 million;

- (b) the new deed dated 21 March 2024 entered into between Hong Kong High Quality Limited (as lender) and the Company (as borrower) to extend the overdue loan of HK\$39,000,000 with a maturity date on 22 April 2025 or any later date as agreed between the parties;
- (c) the deed dated 22 December 2023 entered into between Hong Kong High Quality Limited (as petitioner) and the Company, pursuant to which the petitioner agreed to withdraw the winding-up petition and the Company agreed to repay the outstanding amount owed to the petitioner (being HK\$39,000,000) within three months of the date of the deed;
- (d) the unsecured loan agreement dated 20 March 2024 entered into between Hong Kong Over-Success Group Limited (香港鯉魚門集團有限公司)(as lender) and the Company (as borrower) for a loan of HK\$2,700,000 with interest at a rate of 4% per annum and with a maturity date on 22 April 2025;
- (e) the unsecured loan agreement dated 19 July 2023 entered into between Hong Kong High Quality Limited (as lender) and the Company (as borrower) for an interest-free loan of HK\$39,000,000 and with a maturity date on 22 April 2025.

9. EXPERT AND CONSENT

The following are the name and qualifications of the expert whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualification
Alpha Financial Group Limited	a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Alpha Financial Group Limited has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which they appear.

As at the Latest Practicable Date, Alpha Financial Group Limited did not have (i) any direct or indirect interest in any assets which had been, since 31 December 2024 (being the date of the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. MISCELLANEOUS

- (i) The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.
- (ii) The Company's headquarters and principal place of business in the PRC is No. 8399, Binhai Boulevard, Huangdao District, Qingdao City, Shandong Province, PRC.
- (iii) The Company's principal place of business in Hong Kong is at Unit 216, 2/F, Mirror Tower, No. 61 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.
- (iv) The Company's company secretary is Ms. Au Wing Sze, who is a manager of TMF Hong Kong Limited, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (v) The Company's principal share registrar and transfer office is at Appleby Global Corporate Services (Bermuda) Limited, Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda.
- (vi) The Company's Hong Kong branch share registrar and transfer office is at Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (vii) The Company's Singapore branch share registrar and transfer office is at B.A.C.S Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.
- (viii) As at the Latest Practicable Date, the Board comprised Ms. Lang Ying, Mr. Gao Yanxu, and Mr. An Fengjun as Executive Directors and Mr. Hua Shi, Ms. Li Ying and Mr. Wang Cheng as Independent Non-Executive Directors.
- (ix) The registered office of Alpha Financial Group Limited is at Room A, 17/F, Fortune House, 61 Connaught Road Central, Central, Hong Kong.
- (x) The English text of this Composite Document shall prevail over their respective Chinese text, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are available on display (i) on the website of the Company (www.kangdafood.com); and (ii) on the website of the SFC (www.sfc.hk), from the date of this Composite Document up to and including the Closing Date:

- (i) the amended and restated memorandum and articles of association of the Company;
- (ii) the 2024 Annual Report, the 2023 Annual Report, the 2022 Annual Report and the 2025 Interim Report;
- (iii) the letter from the Board, the text of which is set out in this Composite Document;

- (iv) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (v) the letter of advice from Independent Financial Adviser, the text of which is set out in this Composite Document;
- (vi) the service contracts referred to in the paragraph headed “6. Directors’ Service Contracts” in this Appendix;
- (vii) the material contracts referred to in the paragraph headed “8. Material Contracts” in this Appendix;
- (viii) the written consent(s) referred to under the paragraph headed “9. Expert and Consent” in this Appendix; and
- (ix) this Composite Document and the accompanying Acceptance Form(s).

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer, the Offeror and the Group.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group and the Seller), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS IN SHARES

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company owned, controlled or directed by the Offeror, its ultimate beneficial owner, the Offeror Concert Parties and the sole director of the Offeror were as follows:

Name of Shareholder	Capacity	Immediately after Completion for the sale and purchase of the First Batch Sale Shares but before Completion for the sale and purchase of the Second Batch Sale Shares and the Offer		Immediately after Completion for the sale and purchase of all Sale Shares but before the Offer	
		Percentage of interest in the		Percentage of interest in the	
		Number of Shares	Company's share capital	Number of Shares	Company's share capital
Hong Kong Sheng Yuan Holding Co., Limited (i.e. the Offeror)	Beneficial owner	240,748,400	53.15%	247,708,066	54.69%
Mr. Gao Sishi	Interest of controlled corporation (Note)	240,748,400	53.15%	247,708,066	54.69%
Total		<u>240,748,400</u>	<u>53.15%</u>	<u>247,708,066</u>	<u>54.69%</u>

Note: The Offeror is legally, beneficially and wholly owned by Mr. Gao

Save as disclosed above, as at the Latest Practicable Date, neither the Offeror nor the Offeror Concert Parties owned, controlled, directed, or had any other interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

3. DEALING AND INTERESTS IN THE COMPANY'S SECURITIES AND OTHER ARRANGEMENTS

Save for the Acquisition, neither the Offeror nor the Offeror Concert Parties had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

As at the Latest Practicable Date:

- (i) save for the 247,708,066 Shares held by the Offeror upon Completion for the sale and purchase of all Sale Shares, neither the Offeror nor the Offeror Concert Parties held, owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives in respect of such securities of the Company;
- (ii) there was no outstanding derivative in respect of the securities in the Company which was owned, controlled or directed by, or had been entered into by the Offeror and/or the Offeror Concert Parties;
- (iii) save for the Share Purchase Agreement, none of the Offeror, its ultimate beneficial owner and/or the Offeror Concert Parties had any arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person in relation to the share of the Offeror or the Shares;
- (iv) save for the Share Purchase Agreement, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, its ultimate beneficial owner and/or the Offeror Concert Parties and/or any other associate of the Offeror, and any other person;
- (v) save for the Share Purchase Agreement, there was no agreement or arrangement to which the Offeror was a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) none of the Offeror, its ultimate beneficial owner and/or the Offeror Concert Parties had received any irrevocable commitment(s) to accept or reject the Offer;
- (vii) none of the Offeror, its ultimate beneficial owner and/or the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (viii) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;

- (ix) save for the Share Purchase Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owner and/or the Offeror Concert Parties on the one hand, and the Seller and/or parties acting in concert with any of them on the other hand;
- (x) save for the Share Purchase Agreement, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (1) any Shareholder on one hand; and (2)(a) the Offeror, its ultimate beneficial owner and/or any party acting in concert with any of them or (2)(b) the Company, its subsidiaries or associated companies on the other hand;
- (xi) save for the Consideration paid by the Offeror to the Seller pursuant to the Share Purchase Agreement, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its ultimate beneficial owner or any parties acting in concert with any of them to the Seller or any party acting in concert with any one of them in connection with the sale and purchase of the Sale Shares;
- (xii) save for the Share Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its ultimate beneficial owner or the Offeror Concert Parties and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer;
- (xiii) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (xiv) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company was managed on a discretionary basis by any fund managers or principal traders connected with the Offeror or the Offeror Concert Parties, and no such person had dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period; and
- (xv) there were no conditions to which the Offer is subject to.

4. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given their opinion and advice which are contained in this Composite Document:

Name	Qualification
DL Securities (HK) Limited	a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
uSmart Securities Limited	a corporation licensed by the SFC 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

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

5. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (a) the last day on which trading took place in each of the calendar months during the Relevant Period; (b) the Last Trading Day; and (c) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
30 April 2025	0.146
30 May 2025	0.152
30 June 2025	0.159
31 July 2025	0.248
29 August 2025	0.221
30 September 2025	0.222
17 October 2025 (Last Trading Day)	0.228
31 October 2025	0.570
25 November 2025 (Latest Practicable Date)	0.495

During the Relevant Period:

- a. the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.660 per Share on 27 October 2025 and 6 November 2025; and
- b. the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.145 per Share on 23 April 2025.

6. MISCELLANEOUS

- a. The registered office of the Offeror is Unit 1610, 16/F, Tower 2, Silvercord, No.30 Canton Road, Tsim Sha Tsui, Hong Kong.
- b. The correspondence address of the Offeror and Mr. Gao, being the sole ultimate beneficial owner of the Offeror, the sole director of the Offeror and a principal member of the Offeror's concert group is Unit 301, Building 7, No. 13, Donghai Middle Road, Shinan District, Qingdao City, Shandong Province, China.
- c. The main business address of DL Securities is 21/F, DL Tower, 92 Wellington Street, Central, Hong Kong.
- d. The main business address of uSmart Securities is Unit 2606, 26/F, 308 Des Voeux Road Central, Hong Kong.
- e. The Offeror is a company incorporated in Hong Kong with limited liability on 14 May 2025.
- f. In case of inconsistency, the English text of this Composite Document and the Acceptance Form(s) shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the websites of the SFC (www.sfc.hk) and the Company (www.kangdafood.com) from the date of this Composite Document up to and including the Closing Date:

- a. the memorandum of association and articles of association of the Offeror;
- b. the "Letter from DL Securities", the text of which is set out on pages 10 to 19 of this Composite Document;
- c. the written consents as referred to in the section headed "4. Qualifications and Consents of Experts" in this Appendix IV; and
- d. the Share Purchase Agreement.