KONDE 康大

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.

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.

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.

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.

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**

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.

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