

STRICTLY PRIVATE AND CONFIDENTIAL

25 June 2024

Room 1909A, Harbour Centre 25 Harbour Road
Wanchai, Hong Kong

Attn.: The Board of Directors

Dear Sirs,

**CHINA KANGDA FOOD COMPANY LIMITED (the “Company”, together with its subsidiaries, the “Group”)
Placing (the “Placing”) of new shares of HK\$0.25 par value each (the “Shares”) in the Company**

PART 1 – THE PLACING

The Company has proposed to issue for a maximum of 86,589,600 new shares under general mandate.

The Company intends to appoint us, Wanhai Securities (HK) Limited (the “**Placing Agent**”), to place for a maximum of 86,589,600 new shares during the Placing Period, being the period commencing from the date of this agreement and ending on 4:00 p.m. on 25 July 2024.

On the terms set out in this agreement (the “**Placing Agreement**”), we agree, on a best effort basis, to place, or procure the placing of, the Placing Shares, with institutional, corporate, individual or other investors (the “**Placees**”), who and whose ultimate beneficial owner(s) shall be the Independent Third Parties (as we may select at the placing price (the “**Placing Price**”) of not less than HK\$0.25 and the final price determination will depend on the demand for and the market conditions of the Placing Shares during the process of our placement (together with the Stock Exchange trading fee, Securities and Futures Commission (the “**SFC**”) transaction levy and Central Clearing and Settlement System (“**CCASS**”) stock settlement fee and brokerage as may be payable by the Placees) in the capacity as the Company’s agent.

The Placing Agent and the Company agree that they will use their best endeavours to ensure the Company will continue to comply with the public float requirements under the Listing Rules after Completion.

A. Placing Agent for the Placing

As the Placing Agent, the major areas of our involvement would be as follows:-

- to place on a best effort basis all the Placing Shares (i) to institutional, corporate, individual or other investor(s) who and whose ultimate beneficial owner(s) shall be the Independent Third Parties; (ii) such that the Placing will not have any implications under the Takeovers Code and no shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing and (iii) such that the Placing will not result in non-compliance with the Public Float Requirement; and

- to assist the Company in coordinating and liaising with such investor(s) in relation to the Placing.

B. Proposed Placing timetable

The proposed period for the Placing shall commence on the date of this agreement or such other dates as the Company may announce, and end on 24 July 2024 or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.

C. Proposed remuneration in relation to the Placing

With respect to the services outlined above, we would propose the following fee structure:

(i) The Placing

Upon Completion, a placing fee of HKD100,000 is payable to the Placing Agent. For this purpose, the Placing Agent may deduct the full amount of such placing commission and all reasonable costs and expenses (as set out under the clause “**Expenses**” below) from the amount of any placing moneys paid by such investor(s).

(ii) Expenses

Upon Completion, the Placing Agent will deduct all costs and expenses reasonably incurred in connection with or arising out of the Placing, including without limitation, travelling, printing, postage and telecommunications costs from the proceeds of the Placing. In addition, all fees and expenses of other professional advisers involved in the Placing will be for the Company’s account.

D. Conditions of the Placing

Completion of the Placing is conditional upon:-

- (a) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such listing approval not subsequently being revoked prior to Completion);
- (b) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained; and
- (c) the Placing Agreement not having been terminated in accordance with the terms of the Placing Agreement.

E. Termination of the Placing

The Placing Agent may, by giving a written notice to the Company, at any time prior to the Completion Date provided that such notice is received prior to 8:00

a.m. on the Completion Date if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of this Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (f) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Agreement; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

PART 2 - GENERAL

A. Confidentiality

The Placing Agent confirms that all information and documents received from the

Company in connection with this engagement will be regarded as strictly confidential to the Company and will be treated accordingly by the Placing Agent.

B. Representations, Warranties and Indemnities

- (i) In agreeing to the terms of this Placing Agreement, the Company hereby agree the followings:
 - (a) The Company shall be responsible for all other professional fees, printer's charges and all disbursements and out of pocket costs incurred by the Placing Agent in relation to the Placing which will include, but not limited to, the photocopying charges, telephone/facsimile charges, postage and delivery expenses provided that the appointment of such professional(s) has/have been previously approved by the Company in writing.
 - (b) The Company shall provide the Placing Agent with all such information relating to the Company, any companies controlled by the Company and the Group as the Placing Agent would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group or otherwise and all material facts and information which might reasonably be expected to be relevant in enabling the Placing Agent to fulfil its responsibilities in carrying out the terms of its engagements.
 - (c) The Company shall inform the Placing Agent in the event of any material change in the information in respect of (b) above or in the reasonable opinion of the Company relevant to the Placing.
 - (d) The Company shall accept full responsibility for the accuracy of all information and facts given by the Company to the Placing Agent in relation to the Placing and warrant that no other material information or material facts have been or will be withheld, the omission of which will make the information or facts given to the Placing Agent incorrect or misleading in any material respect, and to notify the Placing Agent should such omission or inaccuracy first come to the attention of the Company.
 - (e) The Placing Agent may, from time to time, disclose information regarding you and each of the companies controlled by you, its directors, shareholders, representatives and officers which may be confidential to the regulatory authorities upon their enquiries, including but not limited to the Stock Exchange and the SFC. Should such disclosure be required to be made, the Placing Agent agrees to obtain the consent from the Company or the Company's representatives prior to such disclosure.

C. Applicable Law and Jurisdiction and Miscellaneous

- (i) This Placing Agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and the parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Hong Kong.

- (ii) The Placing Agent hereby warrants and represents to the Company that it is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and it and its ultimate beneficial owner(s) are the Independent Third Parties and are not Shareholders.
- (iii) No third party shall have any right under this Placing Agreement by virtue of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

If the Company wish to accept this Placing Agreement subject to the terms and conditions set out above, please duly complete and sign the attached confirmation of acceptance and return duplicate of this Placing Agreement to the Placing Agent by hand to the Placing Agent at Room 4037-4039, 40/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

Yours faithfully,

For and on behalf of

Wanhai Securities (HK) Limited



Authorised Signature

To : Wanhai Securities (HK) Limited
Room 4037-4039, 40/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong

Confirmation of Acceptance

We confirm our acceptance of the terms and conditions of the placing agreement as set out in your letter dated 25 June 2024 of which this confirmation forms part.

For and on behalf of

CHINA KANGDA FOOD COMPANY LIMITED

Authorised Signature / Director

Name:

Date: