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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **China Kangda Food Company Limited**, you should at once hand this circular, together with the enclosed forms of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee immediately.

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**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)**

### **PROPOSALS FOR RE-ELECTION OF DIRECTORS AND GENERAL MANDATE TO ISSUE SHARES AND TO BUY BACK SHARES**

The notice convening the AGM of China Kangda Food Company Limited to be held at 2/F The Function Room 3, The Harbourview, 4 Harbour Road, Wanchai, Hong Kong at 9:30 a.m. on Wednesday, 22 June 2022 is set out on pages 155 to 159 of the Annual Report. Any Shareholder or depositor or proxy who wishes to take part in the AGM from Singapore, may attend via video conference which shall be held at Room 502, Level 5, RELC International Hotel, 30 Orange Grove Road, Singapore 258352. Whether or not you are able to attend the AGM, you are requested to complete and return the forms of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders), or to the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 (for Singapore Shareholders) as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the forms of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

#### **PRECAUTIONARY MEASURES FOR THE EPIDEMIC AT THE AGM**

Please see pages i and ii of this circular for precautionary measures that will be implemented by the Company at the AGM to prevent the spreading of the novel coronavirus:

- (1) Compulsory body temperature checks
- (2) Submission of health declaration form
- (3) Wearing of surgical face mask
- (4) No refreshments will be provided and no corporate gifts will be distributed
- (5) Self-brought Food and Beverage is not allowed

Attendees who do not comply with the precautionary measures (1) to (3) above may be denied entry to the AGM, at the absolute discretion of the Company, as permitted by law.

**The Company encourages Shareholders to consider appointing the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.**

28 April 2022

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## PRECAUTIONARY MEASURES FOR THE EPIDEMIC AT THE AGM

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In view of the ongoing development of the novel coronavirus epidemic, as at the Latest Practicable Date, the Company is unable to predict the situation of the epidemic and the relevant prevention and control measures required by the Hong Kong Government and/or the Singapore Government at the time of the AGM. If the epidemic persists at that time, Shareholders should assess the health risk for attending the AGM in person.

For protecting Shareholders, staff and other persons attending the AGM from infection, the Company will implement the following precautionary measures for the epidemic at the AGM:

- (i) Conducting compulsory body temperature checks on every Shareholder, proxy and attendees at the entrance of the AGM venue in Hong Kong and video conference venue in Singapore. Any person with a body temperature of over 37.3 degrees Celsius may be denied entry or be required to leave.
- (ii) Every attendee is required to complete and submit a health declaration form at the entrance of the AGM venue in Hong Kong by providing their names and contact details, and confirming he/she (a) is not subject to any compulsory quarantine prescribed by the Hong Kong Government or the Singapore Government (where applicable); (b) has not had fever, malaise, dry cough, shortness of breath or other flu-like symptoms or travelled outside of Hong Kong or Singapore (where applicable) at any time in the 14 days preceding the AGM; and (c) to the best of his/her knowledge, has not had close contact with any person who cannot satisfy (a) or (b) above, or is a suspected, probable or confirmed case of the novel coronavirus at any time in the 14 days preceding the AGM.
- (iii) Every attendee in Hong Kong must have received 2 doses of COVID-19 vaccine and is required to scan the 'LeaveHomeSafe' venue QR code before the person is allowed to enter the AGM venue, with electronic records to be kept for 31 days. Every attendee in Singapore is required to scan and check-in via safe entry QR code at the entrance of the video conference venue in Singapore.
- (iv) Every attendee is required to wear a surgical face mask at the AGM venue in Hong Kong and video conference venue in Singapore at all times, and to maintain a safe distance (a physical spacing at least 1 metre) between persons at all time.
- (v) The Company will not provide refreshments and will not distribute corporate gifts.
- (vi) Self-brought food and beverage are not allowed.
- (vii) The venue of AGM in Hong Kong will allow maximum 20 persons to enter, subject to government regulation. The venue of AGM in Singapore will allow limited entrance of attendees in view of the size of the venue and safe distancing measurement.

Attendees are requested to observe and practise good personal hygiene at all times at the AGM venues.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venues or require any person to leave the AGM venues so as to ensure the health and safety of the attendees at the AGM.

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## PRECAUTIONARY MEASURES FOR THE EPIDEMIC AT THE AGM

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In order to safeguard the health and safety of the persons attending the AGM and to follow the guidelines for prevention and control of the epidemic, the Company encourages Shareholders to consider, as an alternative to attending the AGM in person, appointing the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM by using proxy forms with voting instructions inserted.

The proxy form is attached to this circular for Shareholders who opt to receive printed copy of circulars. Alternatively, the proxy form can be downloaded from the “Investor Relations” page of the Company’s website. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult your banks or brokers or custodians (as the case may be) accordingly.

Due to the constantly evolving novel coronavirus epidemic situation in Hong Kong and Singapore, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the websites of the SEHK, SGX-ST and the Company for future announcements and updates on the AGM arrangements.

If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolutions, or have any matters for communication with the Board, please contact the Company:

Tel: +852 3526 0286  
Fax: +852 3526 0300  
Email: [info@kangda-food.com](mailto:info@kangda-food.com)

If Shareholders have any questions relating to the AGM, please contact Tricor Investor Services Limited, the Company’s branch share registrar, address being Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong:

Tel: +852 2980 1333  
Fax: +852 2980 8185  
Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

B.A.C.S. Private Limited, the Company’s Singapore share transfer agent, address being 77 Robinson Road #06-03, Robinson 77, Singapore 068896:

Tel: +65 6593 4848  
Email: [main@zicoholdings.com](mailto:main@zicoholdings.com)

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

<b>“Annual General Meeting”/“AGM”</b>	:	the annual general meeting of the Company to be held at 2/F The Function Room 3, The Harbourview, 4 Harbour Road, Wanchai, Hong Kong and its video conference venue situated at Room 502, Level 5, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 at 9:30 a.m. on Wednesday, 22 June 2022. Notice of which is set out in the Annual Report
<b>“Annual Report”</b>	:	the annual report of the Company for the financial year ended 31 December 2021
<b>“Associated Company”</b>	:	a company defined as an “associated company” in the Listing Manual
<b>“Board”</b>	:	the board of Directors
<b>“Bye-Laws”</b>	:	the bye-laws of the Company adopted on 12 January 2017, as amended or modified from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“CEO”</b>	:	the chief executive officer of the Company
<b>“Company”</b>	:	China Kangda Food Company Limited, a company incorporated in Bermuda, the Shares of which are primary listed on the Main Board of the SEHK and the listing status in the Main Board of the SGX-ST was changed from primary listing to secondary listing with effect from 23 January 2017
<b>“Director(s)”</b>	:	the director(s) of the Company for the time being
<b>“Group”</b>	:	the Company, its subsidiaries, and its Associated Companies
<b>“Hong Kong”</b>	:	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Listing Rules”</b>	:	The Rules Governing the Listing of Securities on SEHK

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## DEFINITIONS

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<b>“Issue Mandate”</b>	:	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares with a total number not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolutions
<b>“Latest Practicable Date”</b>	:	21 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
<b>“Listing Manual”</b>	:	the listing manual of the SGX-ST, including any amendments made thereto up to the date of this circular
<b>“PRC”</b>	:	The People’s Republic of China
<b>“Securities Accounts”</b>	:	securities accounts maintained by Depositors with CDP, but not including securities accounts maintained with a Depository Agent
<b>“SEHK”</b>	:	The Stock Exchange of Hong Kong Limited
<b>“SFO”</b>	:	The Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share(s)”</b>	:	ordinary share(s) with nominal value of HK\$0.25 each in the share capital of the Company
<b>“Share Buy-back Mandate”</b>	:	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to buy back Shares in the capital of the Company up to a maximum of 10% of the total number of Shares in issue as at the date of passing the relevant resolutions
<b>“Shareholder(s)”</b>	:	the registered holder(s) for the time being of Shares. Where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, refer to the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
<b>“Singapore Companies Act”</b>	:	the Companies Act 1967, as amended or modified from time to time

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## DEFINITIONS

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<b>“Singapore Listing Rules”</b>	:	the listing rules of the SGX-ST as set out in the Listing Manual
<b>“Takeovers Code”</b>	:	The Codes on Takeovers and Mergers and Share Buy-backs as approved by the Securities and Futures Commission of Hong Kong, as amended, modified or supplemented from time to time
<b>“HK\$”</b>	:	Hong Kong dollars, the lawful currency of Hong Kong
<b>“RMB”</b>	:	Renminbi, the lawful currency of PRC
<b>“%” or “per cent.”</b>	:	per centum or percentage

The expressions “Depositor(s)”, “Depository Register” and “Depository Agent” shall have the respective meanings ascribed to them in Section 130A of the Singapore Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and the neuter genders and vice versa. Words importing persons shall include corporations.

The headings in this circular are inserted for convenience only and shall be ignored in construing this circular.

Any reference in this circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Singapore Companies Act, the Singapore Listing Rules, the Hong Kong Listing Rules, the SFO, or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Singapore Companies Act, the Singapore Listing Rules, the Hong Kong Listing Rules, the SFO or any modification thereof, as the case may be.

Any reference to a time of day in this circular shall be a reference to Hong Kong time unless otherwise stated.

Any discrepancy with the tables in this circular between the listed amounts and the totals thereof is due to rounding.

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## LETTER TO SHAREHOLDERS

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**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:*

Fang Yu, *Chairman, Executive Director and CEO*

An Fengjun, *Executive Director*

Gao Yanxu, *Executive Director*

Luo Zhenwu, *Executive Director*

Li Wei, *Executive Director*

Chan Ka Yin, *Independent Non-Executive Director*

Li Xu, *Independent Non-Executive Director*

Hui Wing Man, *Independent Non-Executive Director*

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Principal office in Hong Kong:*

Suites 1505-07, 15/F,

Shui On Centre,

6-8 Harbour Road, Wanchai,

Hong Kong

28 April 2022

*To: The Shareholders*

Dear Sirs/Madams,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATE TO ISSUE SHARES AND TO BUY BACK SHARES**

**1 INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions. The resolutions to be proposed at the Annual General Meeting include, inter alia, (i) the re-election of retiring Directors; (ii) the renewal of the Issue Mandate and the Share Buy-back Mandate; and (iii) the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back Mandate.

**2 GENERAL MANDATE TO ISSUE SHARES AND BUY BACK SHARES**

2.1 At the last annual general meeting of the Company held on 22 June 2021, resolutions were passed granting general mandates to the Directors (i) to allot and issue Shares with a total number not exceeding 20% of the total number of Shares of the Company in issue as at the date of passing of the relevant resolutions; and (ii) to buy back shares in the capital of the Company up to 10% of the total number of Shares of the Company in issue as at the date of passing of the relevant resolutions. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.



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## LETTER TO SHAREHOLDERS

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2.2 At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing the resolution. The Issue Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Bye-Laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. Based on 432,948,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or bought back prior to the date of the Annual General Meeting, the Directors will be authorised to issue up to 86,589,600 Shares under the Issue Mandate;
- (b) to grant the Share Buy-back Mandate to the Directors to exercise all powers of the Company to buy back issued Shares subject to the criteria set out in this circular. Under such Share Buy-back Mandate, the maximum number of Shares that the Company may buy back shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue was 432,948,000 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Share Buy-back Mandate and assuming no further Shares are issued or bought back prior to the Annual General Meeting, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 43,294,800 Shares, being 10% of the total number of Shares in issue as at the date of passing of the resolution in relation thereof. The Share Buy-back Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Bye-Laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the Issue Mandate and the Share Buy-back Mandate, to extend the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares bought back under the Share Buy-back Mandate.

2.3 In accordance with the Hong Kong Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Share Buy-back Mandate at the Annual General Meeting.

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## LETTER TO SHAREHOLDERS

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### 3 RE-ELECTION OF RETIRING DIRECTORS

- 3.1 In accordance with 86(1) of the Bye-Laws, Mr. Fang Yu, Mr. Luo Zhenwu and Mr. Chan Ka Yin shall retire at the AGM and, being eligible, offer themselves for re-election at the AGM. The information required to be disclosed under the Hong Kong Listing Rules in relation to the retiring Directors proposed for re-election are set out in Appendix II to this circular.
- 3.2 All Board appointments are made based on merit, in the context of the skills, experience, independence, background, gender, age, ethnicity, knowledge and other relevant factors which the Board as a whole requires to be effective. The nomination committee of the Board (the “Nomination Committee”) has in place formal, written procedures for making recommendations to the Board on the selection and appointment of Directors.
- 3.3 The Nomination Committee, the nomination of the retiring Directors in accordance with the Board diversity policy and the nomination procedures for Directors of the Company, taking into account the attendance and participation of the retiring Directors at Board and Board Committee meetings, their contributions to the business and operation of the Company, Board processes, the expertise and experience required for the overall operation of the Board as well as the candidates’ cultural and educational background, gender, age and other factors. Further, the Nomination Committee had also taken into account the contribution of Mr. Chan Ka Yin to the Board and his commitment to his role and was satisfied that Mr. Chan Ka Yin has the required integrity, skills and experience to continue fulfilling the role of an independent non-executive Director. Based on the biographical information disclosed to the Company, Mr. Chan Ka Yin did not hold seven or more listed company directorships. The Nomination Committee is of the view that Mr. Chan Ka Yin meets the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules and is independent in accordance with the independence guidelines as set out in Rule 3.13 of the Hong Kong Listing Rules.

### 4 AGM AND PROXY

- 4.1 A notice convening the AGM is set out in pages 155 to 159 of the Annual Report. At the AGM, ordinary resolutions will be proposed to approve, among other things, the proposed re-election of the retiring Directors, the renewal of the Issue Mandate and the Share Buy-back Mandate, and the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back Mandate. Pursuant to the Hong Kong Listing Rules, the voting on the proposed resolutions at the AGM will be taken by way of poll.

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## LETTER TO SHAREHOLDERS

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- 4.2 A form of proxy for use at the AGM is also sent together with this circular. Such form is also published on the designated website of the SEHK ([www.hkexnews.hk](http://www.hkexnews.hk)), the website of SGX-ST (<https://www.sgx.com/securities/company-announcements>) and the website of the Company ([www.kangdafood.com](http://www.kangdafood.com)). Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders), or to the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 77 Robinson Road #06-03, Robinson 77, Singapore 068896 (for Singapore Shareholders) as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude you from attending and voting in person at the AGM should you so desire.
- 4.3 Depositors who wish to attend and vote at the AGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the AGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors who are individuals and who wish to attend the AGM in person need not take any further action and can attend and vote at the AGM without the lodgement of any proxy form. Such Depositors who are unable to attend personally and wish to appoint nominees to attend and vote on their behalf, and such Depositors who are not individuals, will find enclosed with the Annual Report a Depositor Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event, so as to reach the office of the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited, not later than 48 hours before the time fixed for the AGM or any adjournment thereof. The completion and return of a Depositor Proxy Form by a Depositor who is an individual does not preclude him from attending and voting in person at the AGM in place of his nominee if he finds he is able to do so.

## 5 CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the identity of Shareholders who are entitled to attend and vote at the AGM, all Share transfers, accompanied by the relevant Share certificates, must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders) no later than 4:30 p.m. on Thursday, 16 June 2022, or with the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 77 Robinson Road #06-03, Robinson 77, Singapore 068896 (for Singapore Shareholders) no later than 5:00 p.m. on Thursday, 16 June 2022.

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## LETTER TO SHAREHOLDERS

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### 6 RECOMMENDATIONS

The Directors consider that (i) the re-election of retiring Directors; (ii) the renewal of the Issue Mandate and the Share Buy-back Mandate; and (iii) the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back Mandate are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### 7 RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules and listing manual for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 8 VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all resolutions put forward at the AGM will be voted on by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results will be announced by the Company by means set out in Rule 13.39(5) of the Hong Kong Listing Rules after the AGM.

### 9 INSPECTION OF DOCUMENTS

Copies of the following documents may be inspected at the office of the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, and the office of the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited at 77 Robinson Road #06-03, Robinson 77, Singapore 068896, during normal business hours from the date of this circular to the date of the AGM:

- (i) the Bye-Laws; and
- (ii) the Annual Report.

### 10 GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**CHINA KANGDA FOOD COMPANY LIMITED**  
**Fang Yu**  
*Chairman, Executive Director and CEO*

*This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Share Buy-back Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Hong Kong Listing Rules which is set out as follows:*

## **1. SHARES IN ISSUE**

As at the Latest Practicable Date, there was a total of 432,948,000 Shares in issue. Subject to the passing of the resolution granting the Share Buy-back Mandate and on the basis that no further Shares are issued or bought back during the period from the Latest Practicable Date to the date of the Annual General Meeting, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 43,294,800 Shares, being 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting.

## **2. REASONS FOR SHARE BUY BACK**

The Directors have no present intention to buy back any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as a whole as such buy back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a buy back will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2021 (as disclosed in its latest audited financial statements for the year ended 31 December 2021), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed buy back were to be carried out in full during the proposed buy back period. In the circumstances, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

## **3. FUNDING OF BUY BACK**

The Company is empowered by its Bye-Laws to buy back its Shares. In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-Laws, the Hong Kong Listing Rules, the applicable laws in Bermuda and any other applicable laws. Under the applicable laws in Bermuda, payment for a share buyback by the Company may only be made out of profits, the share premium account or the proceeds of a new issue of Shares made for such purpose or out of capital of the Company. The amount of premium payable on a buyback of Shares may only be paid out of either or both of the profits or out of the share premium of the Company or out of capital of the Company.

In addition, under the applicable laws in Bermuda, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the applicable laws in Bermuda, the shares so bought back would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

#### 4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates (as defined in the Hong Kong Listing Rules), have any present intention to sell any Shares to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

No core connected person of the Company (as defined in the Hong Kong Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

#### 5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the SEHK that, so far as the same may be applicable, they will exercise the powers of the Company to make buy backs pursuant to the Share Buy-back Mandate and in accordance with the Hong Kong Listing Rules, the Bye-Laws and the applicable laws in Bermuda.

#### 6. EFFECT OF TAKEOVERS CODE AND ON MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Share Buy-back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Zenith Hope Limited had interests representing 5% or more of the issued share capital of the Company:

Name	Shares held	Nature of interest	Approximate percentage of total issued Shares	
			As at the Latest Practicable Date	If Share Buy-back Mandate is exercised in full
Zenith Hope Limited <i>(Note)</i>	324,708,066	Registered and beneficial owner	75.00%	83.33%

*Note: Zenith Hope Limited is a wholly-owned subsidiary of Eternal Myriad Limited, a corporation controlled by Mr. Wu Jiming. By virtue of the SFO, Eternal Myriad Limited and Mr. Wu Jimin are deemed to be interested in the 324,708,066 shares of the Company held by Zenith Hope Limited.*

On the basis of 432,948,000 Shares in issue as at the Latest Practicable Date and assuming there is no further issue or repurchases of Shares during the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, if the Share Buy-back Mandate were exercised in full, the number of issued Shares will decrease from 432,948,000 to 389,653,200 and the shareholding in the Company of Zenith Hope Limited together with its associates would be increased from approximately 75.00% to approximately 83.33% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code but would result in the aggregate amount of the issued share capital of the Company in the public hands being reduced to less than 25%. The Company has no intention to exercise the Share Buy-back Mandate to such extent that would give rise to an obligation to make a mandatory offer under the Takeovers Code or result in the number of Shares held by the public falling below the prescribed minimum percentage required by the SEHK.

## 7. SHARE BUY BACKS BY THE COMPANY

The Company had not bought back any Shares (whether on the SEHK or otherwise) in the six months preceding the Latest Practicable Date.

## 8. SHARE PRICES

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the SEHK was as follows:

Month	SEHK	
	High (HK\$)	Low (HK\$)
April 2021	0.375	0.350
May 2021	0.360	0.330
June 2021	0.350	0.310
July 2021	0.405	0.325
August 2021	0.350	0.325
September 2021	0.430	0.320
October 2021	0.410	0.310
November 2021	0.345	0.325
December 2021	0.550	0.320
January 2022	0.380	0.325
February 2022	0.375	0.330
March 2022	0.320	0.260
April 2022 (up to the Latest Practicable Date)	0.340	0.305

*The biographical details of the retiring Directors proposed to be re-elected at the AGM are as follows:*

**1. Mr. Fang Yu**

Mr. Fang Yu (方宇), aged 45, is the Group's Chairman, an Executive Director and CEO of the Company with effect from 19 June 2017. He was last re-elected as a Director on 22 June 2020. Mr. Fang graduated from the Central University of Finance and Economics (中央財經大學) in 2000 with a Bachelor's Degree in Economics specialized in currency banking. Mr. Fang has previously worked in the credit management department of the headquarters of Industrial and Commercial Bank of China, and served as an administrative secretary (deputy section level and section level) of the general office of the headquarters of Industrial and Commercial Bank of China as well as the general manager of the risk management department of ICBC Financial Leasing Co., Ltd. (工銀金融租賃有限公司).

Mr. Fang signed a service agreement with the Company on 19 June 2021. His term will expire on 18 June 2024 unless otherwise terminated by either party giving not less than one month's notice in writing to the other or in accordance with the terms of the service agreement. All the fees and expenses properly and reasonably incurred by him in discharging his duties to the Company shall be borne by the Company. Mr. Fang is entitled to a remuneration of HKD5,000,000 per annum.

As at the Latest Practicable Date, Mr. Fang did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Fang has not held directorships in any other listed public companies in the last three years and has not held any other position with the Company and other members of the Group. Mr. Fang does not have any relationship with any Directors, senior management, substantial or controlling Shareholders (as defined in the Hong Kong Listing Rules) of the Company.

Save as aforesaid, there is no information in relation to Mr. Fang that is required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.



**2. Mr. Luo Zhenwu**

Mr. Luo Zhenwu (羅貞伍), aged 44, is an Executive Director of the Company with effect from 19 June 2017. He was last re-elected as a Director on 22 June 2020. Mr. Luo graduated from the Central University of Finance and Economics (中央財經大學) in 2000 with a Bachelor's Degree in Finance. He obtained a Master's Degree in Accounting from Peking University (北京大學) in 2017. He was accredited the intermediate accountant qualification by the Ministry of Finance of the PRC in 2015. Mr. Luo served as expatriate finance manager and regional finance director of Guangzhou Automobile Group Business Co., Ltd. (廣州汽車集團商貿有限公司), finance director of Beijing Jintai Yuande Asset Management Co., Ltd. (北京錦泰遠德資產管理有限公司) and finance director of Hangzhou Changjiang Automobile Holdings Co., Ltd. (杭州長江汽車控股有限公司).

Mr. Luo signed a service agreement with the Company on 19 June 2021. His term will expire on 18 June 2024 unless otherwise terminated by either party giving not less than one month's notice in writing to the other or in accordance with the terms of the service agreement. All the fees and expenses properly and reasonably incurred by him in discharging his duties to the Company shall be borne by the Company. Mr. Luo is entitled to a remuneration of HKD1,700,000 per annum.

As at the Latest Practicable Date, Mr. Luo did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Luo has not held directorships in any other listed public companies in the last three years and has not held any other position with the Company and other members of the Group. Mr. Luo does not have any relationship with any Directors, senior management, substantial or controlling Shareholders (as defined in the Hong Kong Listing Rules) of the Company.

Save as aforesaid, there is no information in relation to Mr. Luo that is required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**3. Mr. Chan Ka Yin**

Mr. Chan Ka Yin (陳家賢), aged 47, is an Independent Non- Executive Director of the Company. He was appointed as an Independent Non-Executive Director on 7 November 2019 and was last re-elected on 22 June 2020. Mr. Chan obtained a degree in Bachelor of Business Administration in Accounting and Finance (Hons.) from The University of Hong Kong in November 1996. He has been a fellow member of the Association of Chartered Certified Accountants since December 2004 and a fellow member of the Hong Kong Institute of Certified Public Accountants since May 2010.

Mr. Chan is currently a director of Apex Corporate Advisory Limited, a corporate services company in Hong Kong. He worked in Ernst & Young from September 1997 to March 2005. Mr. Chan has been an Independent Non-Executive Director of Luk Hing Entertainment Group Holdings Limited (stock code: 8052, a company listed on GEM of SEHK) since 1 July 2020. Mr. Chan was an independent non-executive director of China Overseas Nuoxin International Holdings Limited (stock code: 464, a company listed on SEHK) from June 2019 to April 2020. He was also an independent non-executive director of Deson Construction International Holdings Limited (stock code: 8268, a company listed on SEHK) for a period from December 2015 to July 2019.

Mr. Chan signed an appointment letter with the Company on 7 November 2021. His term will expire on 6 November 2022 unless otherwise terminated by either party giving not less than one month's notice in writing to the other or in accordance with the terms of the appointment letter. Mr. Chan is entitled to a remuneration of HK\$120,000 per annum. All the fees and expenses properly and reasonably incurred by him in discharging his duties to the Company shall be borne by the Company.

As at the Latest Practicable Date, Mr. Chan did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chan has not held directorships in any other listed public companies in the last three years and has not held any other position with the Company and other members of the Group. Mr. Chan is not connected with any Directors, senior management, substantial or controlling Shareholders (as defined in the Hong Kong Listing Rules) of the Company.

Save as aforesaid, there is no information in relation to Mr. Chan that is required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.