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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)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE HK TAKEOVERS CODE

EXTENSION OF EXCLUSIVE PERIOD REGARDING THE POSSIBLE TRANSFER

This announcement is made by China Kangda Food Company Limited (the “**Company**”) pursuant to Rule 3.7 of the HK Takeovers Code. Reference is made to the announcements of the Company dated 29 January 2019, 26 February 2019, 26 March 2019, 26 April 2019 and 3 May 2019 in relation to the Possible Transfer (the “**Previous Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements.

MOU EXTENSION AGREEMENT

As stated in the Previous Announcements, (i) a Formal Agreement was initially expected to be entered into by the Potential Vendor and the Potential Purchaser on or before the expiry date of the Exclusive Period, namely, 7 May 2019; (ii) the Exclusive Period has been extended to 31 May 2019 (the “**Extended Exclusive Period**”); and (iii) in any case, a decision as to whether the Extended Exclusive Period should be extended would be made by the Potential Vendor and the Potential Purchaser before its expiry date.

The Company wishes to update its Shareholders and investors that as informed by the Potential Vendor and the Potential Purchaser, as more time is required for the negotiation and finalisation of the terms and conditions of the Formal Agreement, they have entered into a second extension agreement in relation to the MOU (the “**Second MOU Extension Agreement**”) on 31 May 2019 (after trading hours).

Pursuant to the Second MOU Extension Agreement:–

- (1) The Extended Exclusive Period has been extended to 14 June 2019 (or such other date as may be agreed by the Potential Purchaser and the Potential Vendor in writing) (the “**Second Extended Exclusive Period**”).
- (2) The parties agreed to procure the escrow agent to enter into a second supplemental agreement in relation to the escrow agreement on or before 31 May 2019, so that the escrow agent may hold the Deposit and the Additional Deposit until (i) the expiry of the Second Extended Exclusive Period or (ii) the termination of the MOU Extension Agreement or the Second MOU Extension Agreement, whichever is later.
- (3) If no Formal Agreement has been entered into upon the expiry of the Second Extended Exclusive Period:
 - (i) if the reason that no Formal Agreement is concluded is because the Potential Purchaser is unable to provide proof of its financial resources being sufficient to fully settle the purchase consideration of the Possible Transfer and the consideration for the general offer which may be triggered if the Possible Transfer materialises, all the Deposit and the Additional Deposit shall be forfeited by the Potential Vendor provided that no further claim for damages or specific performance in relation to the Possible Transfer shall be made by the Potential Vendor; or
 - (ii) if it is due to any other reason that no Formal Agreement is concluded, all the Deposit and the Additional Deposit shall be returned to the Potential Purchaser (or any person designated by the Potential Purchaser) within five business days after the expiry of the Second Extended Exclusive Period.

Save for the above-mentioned terms in the Second MOU Extension Agreement, all other terms of the MOU and the MOU Extension Agreement remain unchanged.

Further announcement(s) setting out the progress of the Possible Transfer will be made as and when necessary in accordance with the Listing Rules and/or the HK Takeovers Code and on a monthly basis until an announcement of a firm intention to make an offer under Rule 3.5 of the HK Takeovers Code or of a decision not to proceed with the Possible Transfer is made.

WARNINGS: There is no assurance that the Possible Transfer or any transactions mentioned in this announcement will materialise or eventually be consummated, and the relevant discussions may or may not lead to a general offer under Rule 26.1 of the HK Takeovers Code. Shareholders and the investors are urged to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By order of the Board

China Kangda Food Company Limited

Fang Yu

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 31 May 2019

As at the date of this announcement, the executive directors of the Company are Mr. Fang Yu (Chief Executive Officer and Chairman), Mr. An Fengjun, Mr. Gao Yanxu, Mr. Luo Zhenwu, Mr. Li Wei and Mr. Wang Yuan; and the independent non-executive directors of the Company are Mr. Lau Choon Hoong, Mr. Song Xuejun and Mr. Lu Zhiwen.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.