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CHINA KANGDA FOOD COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Company Registration Number: 38299)

(Hong Kong Stock Code: 834)

(Singapore Stock Code: P74)

INSIDE INFORMATION

IN-PRINCIPLE APPROVAL FOR PROPOSED CONVERSION OF THE COMPANY'S LISTING STATUS FROM A PRIMARY LISTING TO A SECONDARY LISTING ON THE MAIN BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "PROPOSED CONVERSION")

This announcement is made pursuant to, amongst other applicable laws and listing rules (including the SGX-ST Listing Manual), Rule 13.09 of the SEHK Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company has received in-principle approval from the SGX-ST for the proposed conversion in its listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST while maintaining its primary listing status on the SEHK.

Shareholders and potential investors in the shares of the Company should note that the Proposed Conversion is subject to Shareholders' approval. There is no guarantee that such approval will be obtained from the Shareholders. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the shares in the Company.

This announcement is made pursuant to, amongst other applicable laws and listing rules (including the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST Listing Manual**")), Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK Listing Rules**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1. INTRODUCTION

The board of directors (the "**Board**") of China Kangda Food Company Limited (the "**Company**") wishes to announce that the Company has been exploring the possibility of changing its listing status on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") from a primary listing to a secondary listing whilst maintaining its primary listing status on the Stock Exchange of Hong Kong Limited ("**SEHK**").

2. THE PROPOSED CONVERSION

2.1 The Board has taken into account, *inter alia*, the following principal considerations in deciding to proceed with the Proposed Conversion:

(a) **Declining trading volume on the SGX-ST**

The trading volume of shares of the Company (the “**Shares**”) on the SGX-ST has declined since its listing on the SEHK, and the total and average daily trading volumes of the Shares on the SGX-ST have substantially been lower than the total and average daily trading volumes of the Shares on the SEHK. The Company has also observed that the share price of the Company on the SEHK has been consistently higher than on the SGX-ST, and is of the view that such higher share price on the SEHK is mainly due to more active trading on the SEHK.

(b) **Shareholders profile of the Company**

The Company has noted a continuing trend where an increasing number and proportion of Shares are listed on the SEHK instead of the SGX-ST.

As at 14 October 2016, the total number of Shares listed on the SGX-ST was 35,178,000, representing approximately 8.13% of the Company’s total issued and paid-up share capital, and the total number of shares listed on the SEHK was 397,770,000, representing approximately 91.87% of the Company’s total issued and paid-up share capital. In light of the foregoing, the Proposed Conversion would result in a more accurate reflection of the geographic profile of the Company’s shareholders.

(c) **Differences in rules and regulations and compliance costs**

As the Company is dual primary listed on both the SGX-ST and the SEHK, the Company is required to comply with the listing rules of both exchanges, with the Company having to comply with the stricter requirement in the event of any conflict between the listing rules of both exchanges. The Company has committed significant resources to ensuring that it is in compliance with the listing rules of both the SGX-ST and SEHK.

As such, the Proposed Conversion will enable the Company to substantially reduce its compliance costs and devote its resources for other critical aspects of its business, growth and operations.

(d) **Business profile of the Company**

The Company’s management, business activities and operations are mainly carried out in the People’s Republic of China (the “**PRC**”). The revenue of the Company and its subsidiaries (collectively, the “**Group**”) are also largely attributable to customers in the PRC. In light of the foregoing, the Proposed Conversion will result in a more accurate reflection of the Group’s geographic business profile.

Details of the abovementioned principal considerations will be provided in a circular (“**Circular**”) to be despatched to shareholders of the Company (the “**Shareholders**”) in due course.

2.2 Accordingly, the Company has submitted an application to seek the SGX-ST’s approval in principle for the Proposed Conversion. The Board is pleased to announce that the SGX-ST has on 14 October 2016 given its approval in principle for the Proposed Conversion. The conditions are set out in paragraph 3 below.

- 2.3 As Shareholders who trade their Shares on the Main Board of the SGX-ST can continue to do so and enjoy the same rights as Shareholders who trade their Shares on the SEHK, the Board considers that Shareholders registered in Singapore will not be adversely affected by the Proposed Conversion. The Board believes that Shareholders' ability to trade the Shares on the SGX-ST and on the SEHK would not be in any way prejudiced by the Proposed Conversion.

3. **IN-PRINCIPLE APPROVAL FROM THE SGX-ST**

The in-principle approval by the SGX-ST for the Proposed Conversion is subject to, among others, the following conditions:

- (a) Shareholders' approval on the Proposed Conversion;
- (b) compliance with the SGX-ST's listing requirements and other such requirements that the SGX-ST may impose from time to time;
- (c) the Company maintaining its primary listings on the SEHK;
- (d) submission of a written undertaking from the Company that in the event that the Company is delisted from the Official List of the SGX-ST within three (3) years of the Proposed Conversion:
 - (i) the Company will offer a reasonable exit alternative, which should normally be in cash, to the (A) Shareholders and (B) holders of any other classes of the listed securities to be delisted from the SGX-ST ("**Other Listed Securities**"); and
 - (ii) the Company will appoint an independent financial adviser to advise on the exit offer;
- (e) proper disclosure in the Circular that the requirement for a reasonable exit offer to be provided to the Shareholders and holders of Other Listed Securities (if any) is not applicable should the Company decide to delist after three (3) years of the Proposed Conversion;
- (f) submission of a written undertaking from the Company that it will provide arrangements such as video conference for Singapore-based Shareholders to attend, speak and vote at Shareholders' meetings;
- (g) submission of a written undertaking from the Company that it will comply with the following as set out in Rule 217 of the SGX-ST Listing Manual:
 - (i) release all information and documents in English to the SGX-ST via SGXNET at the same time as they are released to the SEHK;
 - (ii) inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of the SEHK; and
 - (iii) comply with such other listing rules as may be applied by the SGX-ST from time to time;
- (h) submission of a written undertaking from the Company that it will comply the following as set out in Rule 751 of the SGX-ST Listing Manual:
 - (i) maintain its primary listing on the SEHK;

- (ii) be subject to all the applicable listing rules of the SEHK (unless a waiver has been obtained for any non-compliance); and
 - (iii) provide an annual certification in the form prescribed at Appendix 7.6 of the SGX-ST Listing Manual that it has complied with the applicable continuing listing obligations in the SGX-ST Listing Manual;
- (i) submission of a written undertaking by the Company that an announcement via SGXNET will be made as soon as there is any change in the law of its country of incorporation, which may affect or change Shareholders' rights or obligations over its securities, including:
- (i) the right to attend, speak, vote at Shareholders' meetings and the right to appoint proxies;
 - (ii) the right to receive rights offering and any other entitlements;
 - (iii) withholding taxes on its securities;
 - (iv) stamp duties on its securities; and
 - (v) obligations to file documents or make declarations in respect of its securities;
- (j) submission of a written undertaking from the Company that in the event of a need for a trading halt in the Shares, the Company will request for a trading halt on all exchanges at the same time; and
- (k) submission of an undertaking from the Company in the form set out in Appendix 2.3.2 of the SGX-ST Listing Manual.

Please note that the in-principal approval received from the SGX-ST is not to be taken as an indication of the merits of the Proposed Conversion, the Company, or its subsidiaries or their securities. Further announcement(s) in relation to the Proposed Conversion will be made as and when appropriate.

A Circular containing, among other things, further details on the Proposed Conversion, proposed amendments to the bye-laws of the Company, together with a notice of the special general meeting to be convened by the Company for the purpose of seeking Shareholders' approval in connection with the Proposed Conversion will be despatched to the Shareholders in due course.

In the meantime, the Board wishes to advise Shareholders to exercise caution in their dealings in Shares and to refrain from taking any action in relation thereto, until they have sought their own financial and legal advice where appropriate. Persons who are in doubt as to any of the matters referred to in this announcement and/or the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

By Order of the Board of
China Kangda Food Company Limited
Gao Yanxu
 Executive Director

Hong Kong and Singapore, 14 October 2016

As at the date of this announcement, the executive directors of the Company are Mr. An Fengjun and Mr. Gao Yanxu; the non-executive directors of the Company are Mr. Gao Sishi, Mr. Zhang Qi, and Mr. Naoki Yamada; and the independent non-executive directors are Mr. Lau Choon Hoong, Mr. Chong Soo Hoon, Sean and Mr. Yu Chung Leung.

**for identification purpose only*