SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED
(Company Registration No. 200706801H)
(Incorporated in Singapore)

2011 BONDS, 2012 BONDS, 2011 SB2 BONDS AND 2012 SB2 BONDS DUE 1 MARCH 2017 BY GARDEN FRESH (HK) FRUIT & VEGETABLE BEVERAGE CO., LIMITED, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED ("COMPANY")

Capitalised terms not defined herein shall bear the same meaning ascribed to them in the Company's announcement dated 1 March 2016.

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of Sino Grandness Food Industry Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement of the Company dated 1 March 2016 in relation to the proposed restructuring of the 2011 Bonds and 2012 Bonds (the "**2016 Restructuring**").

1.2 The Board wishes to announce that the Company has today entered into a restructuring agreement ("**2017 Restructuring Agreement**") with among others, CDIB Capital Investment I Limited ("**CDIB Capital**"), CDIB & Partners Investment Holding (Cayman) Ltd ("**CDIB Partners**"), Goldman Sachs Investments Holdings (Asia) Limited ("**GS**"), the Company's indirect wholly-owned subsidiaries, Garden Fresh (HK) Fruit & Vegetable Beverage Co., Limited (鮮綠園(香港)果蔬飲料有限公司) ("**Garden Fresh (HK)**"), Garden Fresh Group Holding Co., Ltd ("**Garden Fresh Cayco**") and Garden Fresh Beverage Group Co., Ltd ("**Garden Fresh BVICo**") for a further restructuring of the 2011 Bonds, the 2012 Bonds, the 2011 SB2 Bonds and 2012 SB2 Bonds in light of them having matured on 1 March 2017 (the "**Proposed 2017 Restructuring**").

2. BACKGROUND

2.1 Pursuant to the 2016 Restructuring, Garden Fresh (HK) had agreed to a restructuring of the then outstanding aggregate principal amount of RMB 80,500,000 in 2011 Bonds such that CDIB Capital and CDIB Partners became the holders of an aggregate principal amount of RMB 48,300,000 in 2011 Bonds, an aggregate principal amount of RMB 28,497,000 in 2011 SB1 Bonds and an aggregate principal amount of RMB 50,312,500 in 2011 SB2 Bonds.

2.2 As at the date of this announcement, an aggregate principal amount of RMB 48,300,000 in 2011 Bonds and an aggregate principal amount of RMB 50,312,500 in 2011 SB2 Bonds remain outstanding.

2.3 Further pursuant to the 2016 Restructuring, Garden Fresh (HK) had agreed to a restructuring of the then outstanding aggregate principal amount of RMB 270,000,000 in 2012 Bonds such that GS, CDIB Partners and other co-investors became the holders of an aggregate principal amount of RMB 162,000,000 in principal amount of the 2012 Bonds, an aggregate principal amount of RMB 73,305,000 in 2012 SB1 Bonds and an aggregate principal amount of RMB 128,250,000 in 2012 SB2 Bonds.

2.4 As at the date of this announcement, an aggregate principal amount of RMB 162,000,000 in principal amount in 2012 Bonds and an aggregate principal amount of RMB 128,250,000 in 2012 SB2 Bonds remain outstanding.

2.5 In view of each of the 2011 Bonds, 2012 Bonds, 2011 SB2 Bonds and 2012 SB2 Bonds having matured on 1 March 2017, the Parties have agreed to the Proposed 2017 Restructuring. The Proposed 2017 Restructuring involves, among other things, (i) the repayment by Garden Fresh (HK) of the 2011 SB2 Bonds and 2012 SB2 Bonds in full on the Completion Date (as defined in paragraph 3.14 below); and (ii) the substitution of the 2011

Bonds into 2011 Preference Shares (as defined in paragraph 3.5 below) and 2012 Bonds into 2012 Preference Shares (as defined in paragraph 3.3 below), on and subject to the terms of the 2017 Restructuring Agreement.

3. SALIENT TERMS OF THE PROPOSED 2017 RESTRUCTURING

The salient terms of the Proposed 2017 Restructuring include, *inter alia*, the following:

(A) Full Redemption of the 2012 SB2 Bonds and 2011 SB2 Bonds

3.1 Each of the 2012 SB2 Bondholders (together representing 100% of the outstanding aggregate principal amount of the 2012 SB2 Bonds) agrees with Garden Fresh (HK) to the full redemption of the 2012 SB2 Bonds in the principal amounts corresponding to the relevant 2012 SB2 Bondholders by Garden Fresh (HK) or the Company on Completion Date at a redemption price equal to 100% of the aggregate principal amount of the 2012 SB2 Bonds outstanding (as set out below), together with any interest accrued up to the Completion Date, and payable in USD at the Prevailing USD-RMB Exchange Rate (as defined in the 2017 Restructuring Agreement) (rounded to the nearest US cent, with US$0.005 rounded upwards):

Name of 2012 SB2 Bondholder	Principal Amount of 2012 SB2 Bonds Held (RMB)
GS	109,725,000
CDIB Partners	7,125,000
Hon Chuan Holding Limited	3,800,000
Mr. Yang Hua-Yi	3,800,000
Mr. Wu Cheng-Hsueh	3,800,000
Total	128,250,000

3.2 Each of the 2011 SB2 Bondholders (together representing 100% of the outstanding aggregate principal amount of the 2011 SB2 Bonds) agrees with Garden Fresh (HK) to the full redemption of the 2011 SB2 Bonds in the principal amounts corresponding to the relevant 2011 SB2 Bondholders (as set out in the schedule below) by Garden Fresh (HK) or the Company at a redemption price equal to 100% of the aggregate principal amount of the 2011 SB2 Bonds outstanding (as set out below), together with any interest accrued up to the Completion Date, and payable in RMB, or, if agreed between Garden Fresh (HK) and the 2011 SB2 Bondholders, in USD at the Prevailing USD-RMB Exchange Rate (as defined in the 2017 Restructuring Agreement)(rounded to the nearest US cent, with US$0.005 rounded upwards):

Name of 2011 SB2 Bondholder	Principal Amount of 2011 SB2 Bonds Held (RMB)
CDIB Capital	41,875,000
CDIB Partners	8,437,500
Total	50,312,500

(B) Substitution of the 2012 Bonds and the 2011 Bonds, the Put and Call Option Deed and Share Charges

3.3 Each of the 2012 Bondholders (together representing 100% of the outstanding aggregate principal amount of the 2012 Bonds) agrees with Garden Fresh (HK) and Garden Fresh Cayco to the substitution of 100% of the 2012 Bonds outstanding (including all principal, premium and interest accrued thereon up to the Completion Date) for the issuance of certain 2012 Preference Shares by Garden Fresh Cayco, fully paid, on the Completion Date; such substitution to occur by way of set-off of the amounts owed to the 2012 Bondholders under the

2012 Bonds by Garden Fresh (HK) against the nominal value of the 2012 Preference Shares issued by Garden Fresh Cayco to each of the 2012 Bondholders on the Completion Date. The 2012 Preference Shares means the redeemable, convertible preference shares to be issued by the Garden Fresh Cayco to the 2012 Bondholders in accordance with and subject to the terms of the 2017 Restructuring Agreement.

3.4 Each of the 2012 Bondholders shall receive the following corresponding nominal amount of 2012 Preference Shares in respect of the 2012 Bonds held by it and such 2012 Preference Shares issued in substitution of the 2012 Bonds shall give such 2012 Bondholder the corresponding interest in the ordinary shares of Garden Fresh Cayco (on an as converted and fully diluted basis but disregarding the issuance of any New Investor Qualifying Shares (as defined in paragraph 3.17 below)):

Name of 2012 Bondholder	**Principal Amount of 2012 Bonds Held (RMB)**	**Nominal Amount of 2012 Preference Shares in Substitution for the 2012 Bonds Held (RMB)**	**Number of 2012 Preference Shares in Substitution for the 2012 Bonds Held**	**Shareholding in Garden Fresh Cayco (%)**
GS	138,600,000	138,600,000	1,386	11.123%
CDIB Partners	9,000,000	9,000,000	90	0.722%
Hon Chuan Holding Limited	4,800,000	4,800,000	48	0.385%
Mr. Yang Hua-Yi	4,800,000	4,800,000	48	0.385%
Mr. Wu Cheng-Hsueh	4,800,000	4,800,000	48	0.385%
Total	162,000,000	162,000,000	1,620	13.000%

3.5 Each of the 2011 Bondholders (together representing 100% of the outstanding aggregate principal amount of the 2011 Bonds) agrees with Garden Fresh (HK) and Garden Fresh Cayco to the substitution of 100% of the 2011 Bonds outstanding (including all principal, premium and interest accrued thereon up to the Completion Date) for the issuance of certain 2011 Preference Shares by Garden Fresh Cayco, fully paid, on the Completion Date; such substitution to occur by way of set-off of the amounts owed to the 2011 Bondholders under the 2011 Bonds by Garden Fresh (HK) against the nominal value of the 2011 Preference Shares issued by Garden Fresh Cayco to each of the 2011 Bondholders on the Completion Date. The 2011 Preference Shares means the redeemable, convertible preference shares to be issued by the Garden Fresh Cayco to the 2011 Bondholders in accordance with and subject to the terms of the 2017 Restructuring Agreement.

3.6 Each of the 2011 Bondholders shall receive the following corresponding nominal amount of 2011 Preference Shares in respect of the 2011 Bonds held by it and such 2011 Preference Shares issued in substitution of the 2011 Bonds shall give such 2011 Bondholder the corresponding interest in the ordinary shares of Garden Fresh Cayco (on an as converted and fully diluted basis but disregarding the issuance of any New Investor Qualifying Shares):

Name of 2011 Bondholder	Principal Amount of 2011 Bonds Held (RMB)	Nominal Amount of 2011 Preference Shares in Substitution for the 2011 Bonds Held (RMB)	Number of 2011 Preference Shares in Substitution for the 2011 Bonds Held	Shareholding in Garden Fresh Cayco (%)
CDIB Capital	44,200,000	44,200,000	442	3.547%
CDIB Partners	4,100,000	4,100,000	41	0.329%
Total	48,300,000	48,300,000	483	3.876%

3.7 The terms and conditions of the 2011 Preference Shares and the 2012 Preference Shares will be set out in instruments executed by Garden Fresh Cayco, namely the "**2011 Preference Share Instrument**" and the "**2012 Preference Share Instrument**" respectively. The key terms of the 2012 Preference Share Instrument and 2011 Preference Instrument include the following:

(i) Subject to applicable law and provided that Garden Fresh Cayco has not made a formal listing application for the initial public offering of its ordinary shares on the Mainboard market of Hong Kong Stock Exchange or, where agreed by GS (as the designated representative for the 2012 Preference Shares) and CDIB Capital (as the designated representative for the 2011 Preference Shares), a subsidiary of Garden Fresh Cayco holding all of the shares in Shenzhen WFOE and Hubei WFOE has not made a formal listing application for the initial public offering of its ordinary shares on the A share market of the Shanghai Stock Exchange or the Shenzhen Stock Exchange that meets certain agreed conditions (the "**Qualified Listing Application**"), the 2012 Preference Shares shall be redeemed by Garden Fresh Cayco on the date falling 30 months after the date of issuance of the 2012 Preference Shares (together with the date falling 30 months after the date of issuance of the 2011 Preference Shares, hereinafter referred to as the "**Call Date**"), or where such Qualified Listing Application, if already made, has been rejected, withdrawn or has lapsed after the Call Date, the 2012 Preference Shares shall be redeemed by Garden Fresh Cayco on any day falling 30 days or more after the date on which the Qualified Listing Application is rejected, withdrawn or has lapsed, in each case at a redemption price representing an Internal Rate of Return ("**IRR**") of 7% per annum from the original issue date of the 2012 Bonds (being 25 July 2012).

(ii) Subject to applicable law and provided that Garden Fresh Cayco has not made a Qualified Listing Application prior to the Call Date, the 2011 Preference Shares shall be redeemed by Garden Fresh Cayco on the Call Date or where such Qualified Listing Application, if already made, has been rejected, withdrawn or has lapsed after the Call Date, the 2011 Preference Shares shall be redeemed by Garden Fresh Cayco on any day falling 30 days or more after the date on which the Qualified Listing Application is rejected, withdrawn or has lapsed, in each case at a redemption price representing an IRR of 7% per annum from the original issue date of the 2011 Bonds (being 19 October 2011).

(iii) The initial conversion ratio for the 2012 Preference Shares and the 2011 Preference Shares into ordinary shares of Garden Fresh Cayco ("**Garden Fresh Cayco Shares**") referred to in paragraphs 3.4 and 3.6 above respectively is calculated on the basis of a post-money valuation of RMB1,246,153,846 for Garden Fresh Cayco and its subsidiaries. Save for the issuance of New Investor Qualifying Shares, the conversion ratio for the 2012 Preference Shares and the 2011 Preference Shares into Garden Fresh Cayco Shares shall be maintained at such percentages as set out in paragraphs 3.4 and 3.6 above notwithstanding any future issuances of Garden Fresh Cayco Shares, but it will be subject to dilution with any issuance of Garden Fresh Cayco Shares upon (or following) the listing of Garden Fresh Cayco Shares on the

Mainboard market of Hong Kong Stock Exchange or on the A share market of the Shanghai Stock Exchange or the Shenzhen Stock Exchange.

If: (a) New Investor Qualifying Shares are issued; and (b) all of the New Investor Qualifying Conditions (as defined in the 2017 Restructuring Agreement) have been satisfied in full, then the conversion ratio of the 2012 Preference Shares and the 2011 Preference Shares into Garden Fresh Cayco Shares shall be adjusted downwards with effect from the date on which both (a) and (b) above are satisfied, in accordance with the following formula:

$$A \times (100\% - B) = C$$

Where:

A = Shareholding of each 2012 Preference Shareholder and 2011 Preference Shareholder in Garden Fresh Cayco on an as converted and fully diluted basis immediately prior to the issuance of the New Investor Qualifying Shares, expressed as a percentage;

B = Shareholding of the New Investor(s) in Garden Fresh Cayco on an as converted and fully diluted basis after the issuance of New Investor Qualifying Shares, expressed as a percentage; and

C = Shareholding of each 2012 Preference Shareholder and 2011 Preference Shareholder in Garden Fresh Cayco on an as converted and fully diluted basis after the issuance of New Investor Qualifying Shares, expressed as a percentage.

3.8 In addition, the Company and each of the 2012 Bondholders and the 2011 Bondholders have agreed to enter into a put and call option deed ("**Put and Call Option Deed**"), pursuant to which parties have agreed that on Completion Date, the Company shall (i) give a performance guarantee and a put option for the benefit of the 2012 Preference Shareholders, the 2011 Preference Shareholders; and (ii) be granted a call option in favour of it by the 2012 Preference Shareholders and the 2011 Preference Shareholders.

3.9 The call option granted in favour of the Company under the Put and Call Option Deed gives the Company (the "**Call Option**"):

(a) (i) option to purchase (or direct one of its subsidiaries to purchase), subject to certain conditions, on the Call Date (but not any other date) all of the 2012 Preference Shares at a purchase price representing an IRR of 7% per annum from the original issue date of the 2012 Bonds (being 25 July 2012); and (ii) all of the 2011 Preference Shares at a purchase price representing an IRR of 7% per annum from the original issue date of the 2011 Preference Shares (being 19 October 2011); and

(b) the option to purchase (or direct one of its subsidiaries to purchase), where Garden Fresh Cayco submits a Qualified Listing Application prior to the Call Date but such Qualified Listing Application is rejected, withdrawn or lapses after the Call Date, on any day falling 30 days or more after the date on which the Qualified Listing Application is rejected, withdrawn or lapses: (i) all of the 2012 Preference Shares at a purchase price representing an IRR of 7% per annum from the original issue date of the 2012 Bonds (being 25 July 2012); and (ii) all of the 2011 Preference Shares at a purchase price representing an IRR of 7% per annum from the original issue date of the 2011 Preference Shares (being 19 October 2011).

3.10 The put option granted by the Company under the Put and Call Option Deed shall give each 2012 Preference Shareholder the option to require the Company to purchase all but not some only of the 2012 Preference Shares held by it at a purchase price representing an IRR of 9% per annum from the original issue date of the 2012 Bonds (being 25 July 2012) and shall give each 2011 Preference Shareholder the option to require the Company to purchase all but not some only of the 2011 Preference Shares held by it at a purchase price representing an IRR of 9% per annum from the original issue date of the 2011 Bonds (being 19 October 2011), in each case in the event of a put trigger event which includes the occurrence of the following:

(i) any breach by Garden Fresh Cayco of its obligations under the 2012 Preference Shares or 2011 Preference Shares (as the case may be);

(ii) the subscription or purchase of the New Investor Qualifying Shares not being completed by 11.59 p.m. (Hong Kong time) on the Long Stop Date; or

(iii) Garden Fresh Cayco failing to redeem and the Company (or a subsidiary of the Company) failing to purchase (whether or not pursuant to an exercise of the Company's Call Option) any outstanding 2012 Preference Shares or 2011 Preference Shares (as the case may be) by the Call Date, unless Garden Fresh Cayco has made a Qualified Listing Application prior to the Call Date and such Qualified Listing Application has not been rejected, withdrawn or has not lapsed on or prior to the Call Date.

3.11 The put option granted by the Company under the Put and Call Option Deed shall, where Garden Fresh Cayco submits a Qualified Listing Application prior to the Call Date but such Qualified Listing Application is rejected or withdrawn or lapses after the Call Date and Garden Fresh Cayco failing to redeem and the Company failing to purchase (whether or not pursuant to an exercise of the Company's Call Option) any outstanding 2012 Preference Shares or 2011 Preference Shares (as the case may be) by the 30th day after the date on which the Qualified Listing Application is rejected, withdrawn or lapses, give each 2012 Preference Shareholder the option to require the Company to purchase all but not some only of the 2012 Preference Shares held by it at a purchase price representing an IRR of 7% per annum from the original issue date of the 2012 Bonds (being 25 July 2012) and give each 2011 Preference Shareholder the option to require the Guarantor to purchase all but not some only of the 2011 Preference Shares held by it at a purchase price representing an IRR of 7% per annum from the original issue date of the 2011 Bonds (being 19 October 2011).

3.12 Further, each of Garden Fresh Cayco, Garden Fresh BVIco and Garden Fresh (HK) also agrees that, on Completion, it will grant a negative pledge in respect of the shares it holds in Garden Fresh BVIco, Garden Fresh (HK) and Hubei WFOE, respectively, on the terms set out in the other restructuring documents (together with the 2017 Restructuring Agreement, hereinafter referred to as the "**2017 Restructuring Documents**"). As for Garden Fresh Cayco and the Shenzhen WFOE, Grandness (HK) Industry Co., Limited has agreed to grant a new charge over the shares in Garden Fresh Cayco in favour of a new security agent and Garden Fresh (HK) have further agreed to pledge all of the equity in the Shenzhen WFOE in favour of the new security agent. In addition, the Company and each of the 2012 Bondholders and the 2011 Bondholders have agreed to procure GS as the existing security agent to enter into deeds of releases to release the existing deeds of guarantees given by Garden Fresh Cayco in favour of the Bondholders and the existing share charges over Garden Fresh Cayco, Garden Fresh BVI Co, Garden Fresh (HK), Hubei WFOE and Shenzhen WFOE.

(C) Release of Claims

3.13 With effect from Completion, the 2012 Bondholders and 2011 Bondholders of each series of Bonds shall waive and shall continue to waive all and any rights or claims which it may have on the date of the 2017 Restructuring Agreement or which it may have had at any time prior to the date of the 2017 Restructuring Agreement to bring a claim against one or more of the other parties therein, including the Company, under the terms of such series of Bonds (including any non-payment by Garden Fresh (HK) and the Company of principal, premium and/or interest due and payable thereon).

(D) Standstill

3.14 Subject to the Completion and certain conditions as defined in the 2017 Restructuring Agreement being complied with during the Standstill Period (defined as the earlier of the Completion Date and the date falling 3 months after the date of the 2017 Restructuring Agreement), the 2012 Bondholders and 2011 Bondholders of each series of Bonds shall forbear from taking any action to claim or enforce the obligations of Garden Fresh (HK),

Garden Fresh Cayco, or the Company to repay the amounts due and payable under the 2012 Bonds and the 2011 Bonds.

(E) Completion Date and Long Stop Date

3.15 Pursuant to the 2017 Restructuring Agreement, completion of the Proposed 2017 Restructuring ("**Completion**") shall take place on the earlier of: (i) the date falling 3 months after the date of the 2017 Restructuring Agreement (or, if such date is not a business day, the next business day following such date), and (ii) ten business days after the date on which the relevant company parties obtain the necessary PRC foreign exchange approvals for the remittance out of the PRC of funds for the payments to be made by such company parties pursuant to paragraphs 3.1 and 3.2 above, or such other date or time as the parties may agree in writing (the "**Completion Date**").

3.16 Pursuant to the 2017 Restructuring Agreement, the long stop date shall be 15 months from the date of the 2017 Restructuring Agreement ("**Long Stop Date**").

(F) New Investor Qualifying Shares

3.17 The Company and each of the 2012 Bondholders and 2011 Bondholders further agree that new investors may subscribe or purchase Garden Fresh Cayco's shares ("**New Investor Qualifying Shares**") in accordance with and subject to, *inter alia*, the New Investor Qualifying Conditions (as defined in the 2017 Restructuring Agreement).

3.17 The aggregate subscription price payable by the new investors in immediately available funds for the New Investor Qualifying Shares shall be an aggregate amount of not less than RMB 210,000,000 with respect to all of the New Investor Qualifying Shares.

3.19 The New Investor Qualifying Shares will be issued as one or more series of redeemable preference shares within 15 months from the date of this Agreement. Following the issuance of the New Investor Qualifying Shares within 15 months from the date of this Agreement, no further New Investor Qualifying Shares (whether as a separate series or consolidated and forming a single series with any outstanding New Investor Qualifying Shares) will be issued save with the approval from the holders of the 2012 Preference Shares and 2011 Preference Shares. Notwithstanding the foregoing, if the New Investor(s) subscribes for the New Investor Qualifying Shares in the form of ordinary shares in Garden Fresh Cayco, then (i) Garden Fresh Cayco may issue the New Investor Qualifying Shares in the form of Garden Fresh Cayco Shares and the New Investor Qualifying Conditions shall apply *mutatis mutandis* to such subscription of the Garden Fresh Cayco Shares; and (ii) the parties to the 2017 Restructuring Agreement shall use their commercially best efforts to negotiate in good faith to amend the terms of the 2012 Preference Shares and 2011 Preference Shares and amend the 2017 Restructuring Documents such that the rights and obligations of the parties to the 2017 Restructuring Agreement prior to the amendment would be extended to the ordinary shares in Garden Fresh Cayco, unless otherwise agreed by parties.

(G) Qualified Listing Application

3.20 Garden Fresh Cayco shall use its best efforts to make a formal application in good faith for the initial public offering (that meets certain agreed conditions) of the ordinary shares of Garden Fresh Cayco to the Mainboard market of Hong Kong Stock Exchange or, where agreed by GS and CDIB, of a subsidiary of Garden Fresh Cayco holding all of the shares in Shenzhen WFOE and Hubei WFOE on the A share market of the Shanghai Stock Exchange or the Shenzhen Stock Exchange no later than the Call Date.

4. FINANCIAL EFFECTS OF THE PROPOSED 2017 RESTRUCTURING

4.1 For illustrative purposes only, the proforma financial effects of the Proposed 2017 Restructuring on the share capital, net tangible assets ("**NTA**") and earnings per share ("**EPS**") of the Group as presented herein:

(a) are purely for illustrative purposes only and are not projections of the actual future financial performance or financial position of the Group after the Proposed 2017 Restructuring; and

(b) are prepared based on the audited consolidated financial statements of the Group for FY2016.

Share Capital

4.2 As no new Shares will be issued by the Company in connection with the Proposed Restructuring, there will not be any impact on the share capital of the Company.

NTA

4.3 Assuming that the 2012 Preference Shares and 2011 Preference Shares are converted into Garden Fresh Cayco's shares on 31 December 2016 in accordance with paragraphs 3.4 and 3.6 above (the "**Conversion**") and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2016 ("**FY2016**"), the effects on the NTA per share of the Group are as follows:

As at 31 December 2016	**Pre-Conversion**	**Post-Conversion**
NTA (RMB'000)	2,401,903	2,929,566
Number of issued shares	673,344,828	673,344,828
NTA per share (RMB fen)	356.7	435.1

EPS

4.4 Assuming that the 2012 Preference Shares and 2011 Preference Shares are converted into Garden Fresh Cayco's shares on 1 January 2016 in accordance with paragraphs 3.4 and 3.6 above and based on the Group's audited consolidated financial statements for FY2016, the effects on the EPS of the Group are as follows:

As at 31 December 2016	**Pre-Conversion**	**Post-Conversion**
Profit after tax attributable to Shareholders (RMB'000)	577,551	444,266
Weighted average number of Shares	673,344,828	673,344,828
Earning/(loss) per Share (RMB fen)	85.8	66.0

It should be noted that the abovementioned financial effects have been calculated for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed 2017 Restructuring.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors has any interests, direct or indirect, in the Proposed 2017 Restructuring other than through their respective shareholdings in the Company, if any. To the best knowledge of the Directors, none of the controlling shareholders of the Company has any interests, direct or indirect, in the Proposed 2017 Restructuring other than through their respective shareholdings in the Company, if any.

BY ORDER OF THE BOARD
Huang Yupeng
Chairman and CEO
28 June 2017