
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should obtain independent professional advice.

If you have sold or transferred all your shares in China Culiangwang Beverages Holdings Limited (“Company”), you should at once hand this prospectus and the accompanying application form to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Terms used in this cover page have the same meanings as defined in this prospectus.

Subject to the grant of listing of, and permission to deal in, the Offer Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. You should consult your stock broker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with the written consent referred to in the paragraph headed “Expert and consent” in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.



CHINA CULIANGWANG BEVERAGES HOLDINGS LIMITED

中國粗糧王飲品控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 904)

**OPEN OFFER AT HK\$0.20 PER OFFER SHARE
ON THE BASIS OF 2 OFFER SHARES FOR EVERY 1 SHARE
HELD ON THE RECORD DATE**

Lead Underwriters



軟庫中華金融服務有限公司
SBI China Capital Financial Services Limited

It should be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate the obligations of the Underwriters thereunder on the occurrence of certain events. These events are set out in the section headed “Termination of the Underwriting Agreement” on pages 7 to 8 of this prospectus.

If the Underwriting Agreement is terminated by the Underwriters or does not become unconditional, the Open Offer will not proceed.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m., on Monday, 29 June 2015. The procedures for application and payment for the Offer Shares are set out on pages 14 and 15 of this prospectus and the Application Form.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Thursday, 4 June 2015 and that dealings in the Shares may take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at or before 4:00 p.m., on Thursday, 2 July 2015), will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

CONTENTS

	<i>Page</i>
Definitions	1
Expected Timetable	6
Termination of the Underwriting Agreement	7
Letter from the Board	9
Appendix I – Financial information of the Group	I-1
Appendix II – Pro forma financial information of the Group	II-1
Appendix III – General information	III-1

DEFINITIONS

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

“7.00 per cent. Bonds”	US\$ settled 7.00 per cent. secured convertible bonds due 2016 in the aggregate principal amount of RMB514,880,000 issued by the Company
“10.00 per cent. Bonds”	US\$ settled 10.00 per cent. secured convertible bonds due 2016 in the aggregate principal amount of RMB173,867,696 issued by the Company
“acting in concert”	has the meaning ascribed to it by the Takeovers Code
“Application Form(s)”	the form(s) of application in respect of the Open Offer
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonds”	collectively, the 7.00 per cent. Bonds and the 10.00 per cent. Bonds
“Bondholder(s)”	person(s) whose name(s) is/are registered in the register(s) of holders of the Bonds from time to time
“Business Day”	a day (other than Saturday or a day on which a tropical cyclone warning signal No. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks generally are open for business in Hong Kong
“Capital Mate”	Capital Mate Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Sun Shao Feng, an executive Director, the Chairman of the Board and the Chief Executive Officer of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 15 May 2015 in relation to, among other matters, the Open Offer and the Increase in Authorised Share Capital
“close associate(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“CM Undertaking”	the undertaking in relation to the acceptance of the Committed Shares signed by Capital Mate and delivered to the Company and the Underwriters as one of the conditions precedent to the obligations of the Underwriters to underwrite the Underwritten Shares pursuant to the Underwriting Agreement
“Committed Shares”	being 1,221,822,000 Offer Shares which Capital Mate has irrevocably undertaken to accept as assured entitlement under the Open Offer pursuant to the CM Undertaking
“Company”	China Culiangwang Beverages Holdings Limited (中國粗糧王飲品控股有限公司), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conversion Shares”	the number of Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the 7.00 per cent. Bonds or, as the case may be, the 10.00 per cent. Bonds and a “Conversion Share” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“EB”	China Everbright Securities (HK) Limited, a company incorporated in Hong Kong with limited liability, being one of the Underwriters
“Excluded Shareholders”	the Overseas Shareholders whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Offer Shares to such Shareholders on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the increase in the authorised share capital of the Company from HK\$300,000,000 to HK\$1,000,000,000, the details of which were set out in the Circular, which was approved by the Shareholders at the SGM

DEFINITIONS

“Independent Third Party”	a third party independent of the Company and the connected persons (as defined under the Listing Rules) of the Company
“Last Trading Day”	15 April 2015, being the full trading day of the Shares immediately prior to the date of the Underwriting Agreement
“Latest Practicable Date”	9 June 2015, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 29 June 2015 or such later time as may be agreed between the Company and the Underwriters, being the latest time for acceptance of the offer of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on Thursday, 2 July 2015 or such later time to be agreed between the Company and the Underwriters, being the latest time for the Underwriters to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Master Framework and Subscription Agreement”	the master framework and subscription agreement dated 4 September 2013 made between, amongst other parties, the Company and Partner Shanghai in relation to, amongst other matters, the subscription of 226,553,576 Shares, further particulars of which are set out in the circular of the Company dated 2 October 2013 (as varied and amended by a novation agreement dated 20 June 2014 and made by the same parties and 紫荊控股有限公司 (in English, for identification only, Tsinghua Redbud Holding Ltd.), further particulars of which as set out in the announcement of the Company dated 20 June 2014)
“Offer Share(s)”	3,974,283,592 new Shares to be issued by the Company pursuant to the Open Offer
“OP”	Oriental Patron Securities Limited, a company incorporated in Hong Kong with limited liability, being one of the Underwriters
“Open Offer”	the issue of the Offer Shares by way of open offer on the basis of 2 Offer Shares for every 1 Share in issue on the Record Date to the Qualifying Shareholders on the terms set out in the Prospectus Documents

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company as at the close of business on the Record Date) which is/are outside Hong Kong
“Partner Shanghai”	Partner Shanghai Limited, a company incorporated in the British Virgin Islands with limited liability and a party to the Master Framework and Subscription Agreement
“PRC”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, Macau and Taiwan
“Prospectus Documents”	this prospectus and the Application Form
“Prospectus Posting Date”	Monday, 15 June 2015, being the date of despatch of the Prospectus Documents
“PS Consent and Undertaking”	the consent and undertaking signed and delivered to the Company and the Underwriters by Partner Shanghai, being one of the conditions precedent to the obligations of the Underwriters to underwrite the Underwritten Shares pursuant to the Underwriting Agreement
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Friday, 12 June 2015
“SBI”	SBI China Capital Financial Services Limited, a company incorporated in Hong Kong with limited liability, being one of the Underwriters
“SGM”	the special general meeting of the Company held on 2 June 2015 at which the resolutions in respect of the Open Offer and the Increase in Authorised Share Capital were passed
“Share Registrar”	the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.20 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriters”	collectively, SBI, OP and EB and “Underwriter” shall mean any of them
“Underwriting Agreement”	the underwriting agreement dated 17 April 2015 entered into between the Company and the Underwriters in relation to the Open Offer
“Underwritten Shares”	the Offer Shares (other than the Committed Shares), being 2,752,461,592 Offer Shares underwritten by the Underwriters pursuant to the Underwriting Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	Time and Date
Latest Time for Acceptance	4:00 p.m. on Monday, 29 June 2015
Expected time for the Open Offer to become unconditional	Thursday, 2 July 2015
Announcement of results of the Open Offer to be published on the Stock Exchange's website	Tuesday, 7 July 2015
Despatch of share certificates for the Offer Shares	Wednesday, 8 July 2015
Despatch of refund cheques if the Open Offer is terminated.	Wednesday, 8 July 2015
Dealings in the Offer Shares expected to commence.	Thursday, 9 July 2015

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

All times in this prospectus refer to Hong Kong time. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Monday, 29 June 2015, being the date of the Latest Time for Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

Dates or deadlines stated in this prospectus for events in the timetable are indicative only and may be extended or varied between the Company and the Underwriters. Any changes to the anticipated timetable for the Open Offer will be announced as and when appropriate.

TERMINATION OF THE UNDERWRITING AGREEMENT

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriters, by joint notice in writing, the right to terminate the Underwriters' obligations thereunder on the occurrence of certain events. The Underwriters may, by joint notice, terminate the Underwriting Agreement on or before the Latest Time for Termination if prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriters, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (d) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (e) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 20 consecutive Business Days, excluding any suspension in connection with the clearance of the announcement made by the Company in respect of the Open Offer dated 17 April 2015 or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions including a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriters makes it inexpedient or inadvisable to proceed with the Open Offer; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (3) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (4) this prospectus when published contains information (either as to the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriters be material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for his/her/its assured entitlements of Offer Shares under the Open Offer.

If the Underwriting Agreement is terminated by the Underwriters on or before the aforesaid deadline or does not become unconditional, the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriters shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches and the Open Offer will not proceed.

Pursuant to the Underwriting Agreement, the Underwriters are entitled by joint notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriters; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriters.

LETTER FROM THE BOARD



CHINA CULIANGWANG BEVERAGES HOLDINGS LIMITED

中國粗糧王飲品控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 904)

Executive Directors:

Mr. Sun Shao Feng (*Chairman and
Chief Executive Officer*)

Mr. Chen Changgai

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Independent Non-executive Directors:

Mr. Wei Xiongwen

Mr. Hu Ji Rong

Mr. Zeng Shaoxiao

*Head office and principal place of
business in Hong Kong:*

19/F, China Hong Kong Tower
8 Hennessy Road, Wan Chai
Hong Kong

15 June 2015

To the Qualifying Shareholders and for information only, the Excluded Shareholders

Dear Sir or Madam,

**OPEN OFFER AT HK\$0.20 PER OFFER SHARE
ON THE BASIS OF 2 OFFER SHARES FOR EVERY 1 SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Circular in relation to, among other matters, the Open Offer, whereby the Company proposed to raise not less than approximately HK\$794.6 million before expenses by issuing not less than 3,973,177,620 Offer Shares and not more than approximately HK\$1,059.8 million before expenses by issuing not more than 5,299,106,278 Offer Shares at the subscription price of HK\$0.20 per Offer Share on the basis of two Offer Shares for every one Share in issue on the Record Date. At the SGM held on 2 June 2015, the resolution in respect of the Open Offer was duly passed by way of a poll.

The purpose of this prospectus is to provide you with, among other matters, further details of the Open Offer.

LETTER FROM THE BOARD

THE OPEN OFFER

Issue statistics

Basis of the Open Offer	:	2 Offer Shares for every 1 Share held on the Record Date and payable in full on acceptance
Subscription Price	:	HK\$0.20 per Offer Share
Number of Shares in issue as at the Record Date	:	1,987,141,796 Shares
Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date	:	Under the Bonds, (i) up to 637,227,723 Conversion Shares would be allotted and issued upon exercise of the conversion rights under the 7.00 per cent. Bonds at the adjusted conversion price of HK\$1.01 per Conversion Share (subject to adjustments); and (ii) up to 25,183,618 Conversion Shares would be allotted and issued upon exercise of the conversion rights under the 10.00 per cent. Bonds at the adjusted conversion price of HK\$8.63 per Conversion Share (subject to adjustments).

Under the Master Framework and Subscription Agreement, 226,553,576 new Shares may be issued and allotted under specific mandate to Partner Shanghai as the subscriber. Under the PS Consent and Undertaking, Partner Shanghai has undertaken not to at any time from the date of the PS Consent and Undertaking up to and including the Record Date exercise its right under the Master Framework and Subscription Agreement to request for completion of the subscription under the Master Framework and Subscription Agreement. Please also refer to the paragraph headed “Underwriting Agreement – PS Consent and Undertaking” below for further details.

Number of Offer Shares	:	3,974,283,592 Offer Shares
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The aggregate nominal value of the Offer Shares will be HK\$397,428,359.2.

The net subscription price for each Offer Share is approximately HK\$0.194.

LETTER FROM THE BOARD

Number of Shares in issue : 5,961,425,388 Shares
upon completion of the
Open Offer

Amount raised before expenses : Approximately HK\$794.9 million

Based on 1,987,141,796 Shares in issue as at the Record Date, the aggregate number of 3,974,283,592 Offer Shares proposed to be allotted pursuant to the Open Offer represent: (i) 200% of the issued share capital of the Company as at the Record Date; and (ii) approximately 66.67% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares (assuming that there is no change to the issued share capital of the Company from the Record Date up to completion of the Open Offer).

As at the Latest Practicable Date, save as disclosed under the heading “Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date” above, the Company had no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Qualifying Shareholders

Only Qualifying Shareholders will be entitled to participate in the Open Offer.

As at the Latest Practicable Date, the Board had not received any information from any Shareholders (other than Capital Mate pursuant to the CM Undertaking) of their intention to take up the Offer Shares under the Open Offer. Capital Mate had delivered the CM Undertaking to the Underwriters and the Company and pursuant to such undertaking, Capital Mate has irrevocably undertaken to the Company to accept and pay for the Committed Shares (being all of its assured entitlement under the Open Offer based on its shareholding in the Company).

Excluded Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Open Offer as explained below.

Based on the latest available register of members of the Company as at the Latest Practicable Date, there was one Overseas Shareholder situated in Macau holding 3,000 Shares.

The Company has complied with all necessary requirements specified in Rule 13.36(2)(a) of the Listing Rules (including notes 1 and 2 thereto) and has made enquiry with its legal adviser regarding the feasibility of extending the Open Offer to the Overseas Shareholder under the laws of the relevant place and the requirements of the relevant regulatory body or the stock exchange.

LETTER FROM THE BOARD

Based on the advice and replies provided by the relevant foreign legal adviser, the Directors are of the view that it is expedient to extend the Open Offer to the Overseas Shareholder in Macau as there are no legal restrictions prohibiting the making of the Open Offer in such jurisdiction and no local legal or regulatory compliance is required to be made in such jurisdiction. Accordingly, there is no Excluded Shareholder for the purpose of the Open Offer.

It is the responsibility of the Shareholders, including the Overseas Shareholder, to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Offer Shares.

Subscription Price

The Subscription Price is HK\$0.20 per Offer Share, payable in full when a Qualifying Shareholder accepts his/her/its allotment under the Open Offer.

The Subscription Price represents:

- (1) a discount of approximately 77.8% to the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 77.5% to the average closing price of HK\$0.89 per Share quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day; and
- (3) a discount of approximately 41.2% to the closing price of HK\$0.34 per Share quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price also represents (i) a discount of approximately 53.8% to the theoretical ex-entitlement price of approximately HK\$0.433 per Share based on the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 19.0% to the theoretical ex-entitlement price of approximately HK\$0.247 per Share, based on the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to and taking into consideration (i) the market price and trading liquidity of the Shares under the market conditions prior to the entering into of the Underwriting Agreement; (ii) the fluctuation of the market prices of the Shares in the past 12 months before the Last Trading Day with the closing prices of the Shares ranging from HK\$0.343 per Share to HK\$0.90 per Share; (iii) the theoretical ex-entitlement price of approximately HK\$0.433 per Share based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day; (iv) the Subscription Price represented a discount of approximately 77.8% to the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on the Last Trading Day, which is within the range of the discounts for other listed companies on the Stock Exchange that also proposed to conduct an open offer in the three calendar month period prior to and up to the Last Trading Day; and (v) the Subscription Price represented a discount of approximately 91.7% to the unaudited consolidated net asset value per Share of approximately HK\$2.41 as at 31 October 2014 (based on the unaudited consolidated net asset value of the Group over the number of Shares in issue as at 31 October 2014). The Directors consider that the Subscription Price is set at the proposed discount to the prevailing market price of the Shares with an intention to lower the further investment cost of the Shareholders and encourage all the Qualifying Shareholders to take up their respective assured entitlements to participate in the potential growth of the Company. With an objective to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors consider that the proposed discount of the Subscription Price to the market price is appropriate.

LETTER FROM THE BOARD

Given that the Open Offer would allow an equal and fair opportunity to all the Qualifying Shareholders to participate in the Group's future development by taking up their entitlements under the Open Offer in proportion to their respective shareholding in the Company, and that the Open Offer was subject to approval by the independent Shareholders at the SGM, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Offer Shares

Each of the Offer Shares, when allotted, issued and fully paid, will rank equally in all respects with the Shares in issue on the date of their respective allotment and issue. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared after the date of allotment and issue of the Offer Shares.

Share certificates of the Offer Shares

Subject to the fulfilment of the conditions of the Open Offer, share certificates of the Offer Shares are expected to be posted on or before Wednesday, 8 July 2015 to those entitled thereto by ordinary post at their own risk.

Application for listing

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

Save that the Bonds are listed on the Singapore Exchange Securities Trading Limited, no part of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal in is proposed to be sought.

Subject to the grant of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares in their fully-paid form to be admitted into CCASS.

LETTER FROM THE BOARD

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. It is estimated that the additional costs and expenses including fees to be charged by the share registrar, legal advisers and other professional services providers of around HK\$120,000 would be incurred for such administrative work and the arrangement of excess application, which is not cost effective from the view point of the Company and that the Directors are of the view that it is important for the Group to minimise all costs which may be incurred under the Open Offer.

Given that the Directors consider the Open Offer is structured with an intention to encourage all the Qualifying Shareholders to take up their respective assured entitlements such that the Subscription Price is set at a substantial discount to the then prevailing market price of the Shares to provide reasonable incentives to all the Qualifying Shareholders to participate in the Open Offer, the Open Offer provides an equal and fair opportunity to all the Qualifying Shareholders to participate in the Group's future development by taking up their entitlements under the Open Offer rather than an opportunity for certain Qualifying Shareholders to increase their shareholdings in the Company. The absence of excess application would lower the administrative costs of the Open Offer to the Company, and in the event that there are any untaken Offer Shares, such untaken Offer Shares could attract potential investors/subscribers to the Group so as to broaden the shareholders' base of the Company. Therefore the Directors are of the view that the absence of excess applications of the Offer Shares under the Open Offer is fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders.

No odd lot matching services will be provided by the Company in respect of the Open Offer, as it appears to be not cost-effective for the Company to appoint any designated broker to stand in the market to provide matching services for odd lot of the Offer Shares, comparing the fees to be charged by such broker with the market value of such odd lot of the Offer Shares.

Any Offer Shares not taken up by the Qualifying Shareholders will be taken up by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Procedures for acceptance and payment for the Offer Shares

For each Qualifying Shareholder, an Application Form is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Offer Shares shown thereon. If the Qualifying Shareholder(s) wish(es) to exercise his/her/its rights to subscribe for all the Offer Shares provisionally allotted to him/her/it, he/she/it must lodge the Application Form(s) in accordance with the instructions printed thereon, together with the remittance for the full amount payable on acceptance, with the Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Monday, 29 June 2015.

LETTER FROM THE BOARD

All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to **"China Culiangwang Beverages Holdings Limited – Open Offer"** and must be crossed **"Account Payee Only"**.

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, has been lodged with the Share Registrar by not later than 4:00 p.m. on Monday, 29 June 2015, that assured entitlements and all rights thereunder will be deemed to have been declined and will be cancelled.

The Application Form contains full information regarding the procedures to be followed if you wish to apply for a number of Offer Shares different from your assured entitlements. The Application Form is for use only by the person(s) named therein and is not transferable.

All cheques or banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Any application in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlements and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any Application Form and of any application monies received.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms by the Latest Time for Termination, the application monies will be refunded, without interest, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", to be despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company at the risk of such applicants on or before Wednesday, 8 July 2015.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or dealing in the Offer Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Open Offer accept responsibility for any tax effects or liability of holders of the Offer Shares resulting from the accepting, holding or disposal of, or dealing in the Offer Shares.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

- (1) the passing by the Shareholders at the SGM of an ordinary resolution to approve the Increase in Authorised Share Capital;
- (2) the passing by the independent Shareholders at the SGM of an ordinary resolution to approve the Open Offer by no later than the Prospectus Posting Date;

LETTER FROM THE BOARD

- (3) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in all the Offer Shares (in their fully-paid forms) by no later than the Prospectus Posting Date and the Stock Exchange not having withdrawn or revoked such grant of listing and permission on or before the Latest Time for Termination;
- (4) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) by no later than the Prospectus Posting Date;
- (5) the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date;
- (6) delivery to the Underwriters on or before the Prospectus Posting Date (i) the CM Undertaking duly executed by Capital Mate and (ii) the PS Consent and Undertaking duly executed by Partner Shanghai;
- (7) compliance with and performance by (i) Capital Mate of the CM Undertaking; and (ii) Partner Shanghai of the PS Consent and Undertaking; and
- (8) the Underwriting Agreement not being terminated by the Underwriters pursuant to the terms thereof on or before the Latest Time for Termination.

Save for the condition as set out in sub-paragraph (6) above which is capable of being waived by the Underwriters, none of the conditions as set out above are capable of being waived by any party to the Underwriting Agreement.

If the conditions as set out above are not satisfied by the Latest Time for Termination (or such later time and/or date as the Underwriters may agree with the Company in writing), the Underwriting Agreement shall terminate (save for any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for costs, damages, compensation or otherwise.

As at the Latest Practicable Date, other than the conditions (1), (2) and (6) above, none of the conditions has been satisfied.

LETTER FROM THE BOARD

UNDERWRITING AGREEMENT

Date : 17 April 2015

Parties : (1) the Company; and

(2) the Underwriters:

- (a) SBI, a company incorporated in Hong Kong with limited liability, and a licensed corporation to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO;
- (b) OP, a company incorporated in Hong Kong with limited liability, and a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO; and
- (c) EB, a company incorporated in Hong Kong with limited liability, and a licensed corporation to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

Subject to the terms and conditions of the Underwriting Agreement, the Company has appointed, to the exclusion of others, SBI and OP as the Lead Underwriters of the Open Offer, and has appointed the Lead Underwriters, together with EB, as the Underwriters.

As at the Latest Practicable Date, each of the Underwriters did not hold any Shares. Each of the Underwriters and their respective ultimate beneficial owners is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, an Independent Third Party.

Number of Underwritten Shares : The Offer Shares other than the Committed Shares, being 2,752,461,592 Offer Shares.

The aggregate nominal value of the Underwritten Shares will be HK\$275,246,159.2.

LETTER FROM THE BOARD

Commission and expenses : The Company shall pay:

- (a) to the Underwriters, a commission in the aggregate sum of HK\$20,635,167; and
- (b) to the Underwriters reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriters in respect of the Open Offer.

The commission payable to the Underwriters was determined after arm's length negotiations between the Company and the Underwriters and set on a fixed fee which is approximately 2.5% of the aggregate Subscription Price in respect of the maximum number of the 4,077,284,278 Underwritten Shares agreed to be underwritten by the Underwriters under the Underwriting Agreement, and is consistent with the market practice. The Directors consider that such amount is fair and reasonable, is on normal commercial terms and is comparable with market rate.

Under the Underwriting Agreement, if the conditions of the Open Offer are fulfilled on or before the Latest Time for Termination (or such later time and/or date as the Company and the Underwriters may determine in writing) and the Underwriting Agreement becomes unconditional and is not terminated in accordance with the terms thereof, and in the event that by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up ("**Untaken Shares**"), the Company shall as soon as practicable thereafter and in any event before 4:00 p.m. on the first Business Day after the Latest Time for Acceptance, notify or procure the Company's branch share registrar and transfer office in Hong Kong on behalf of the Company to notify the Underwriters in writing of the number of Underwritten Shares not taken up for the Underwriters to subscribe for or procure subscription for the Untaken Shares.

Pursuant to the Underwriting Agreement, when any of the Underwriters is being called upon to subscribe for or procure subscription for its part of the Untaken Shares:

- (1) such Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 30% of the then issued share capital of the Company;
- (2) such Underwriter shall ensure that none of the subscribers of the Untaken Shares will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of such subscription and such subscriber, together with parties acting in concert with it, shall not be holding 30% or more of the issued share capital of the Company upon the allotment and issue of the Offer Shares;

LETTER FROM THE BOARD

- (3) such Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters) shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company or any of its subsidiaries and their respective close associates; and
- (4) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Open Offer solely because of such Underwriter's performance of its obligations pursuant to the Underwriting Agreement, such Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08 of the Listing Rules.

CM Undertaking

As one of the conditions precedent to the obligations of the Underwriters to underwrite the Underwritten Shares under the Underwriting Agreement, the Company has obtained the CM Undertaking pursuant to which Capital Mate had irrevocably confirmed, undertaken and warranted to the Company that:

- (1) Capital Mate shall accept and pay for the Committed Shares and undertake to lodge or procure to be lodged with the Company, acceptance in respect of such Committed Shares, with payment in full therefor in cash by no later than the Latest Time for Acceptance; and
- (2) the aggregate of 610,911,000 Shares currently beneficially owned by Capital Mate would remain beneficially owned by Capital Mate at the close of business on the Record Date as they are as at the date thereof free from encumbrances and that it would not change its registered address in the register of members of the Company (unless such change is to change to an address in Hong Kong).

PS Consent and Undertaking

Reference is made to the circular of the Company dated 2 October 2013 in relation to the Master Framework and Subscription Agreement. If the Open Offer is to proceed, the transactions contemplated thereunder may result in the increase of the issued share capital of the Company. Each of the Open Offer and the Increase in Authorised Share Capital constitutes an adjustment event under the Master Framework and Subscription Agreement and would require the consent of Partner Shanghai, the investor as named in the Master Framework and Subscription Agreement. In this regard, as one of the conditions precedent to the obligations of the Underwriters to underwrite the Underwritten Shares under the Underwriting Agreement, the Company has obtained the PS Consent and Undertaking pursuant to which Partner Shanghai had:

LETTER FROM THE BOARD

- (1) granted an unconditional and irrevocable consent to the Company to proceed with the Open Offer in accordance with the terms and conditions of the Underwriting Agreement and the Increase in Authorised Share Capital notwithstanding each of the Open Offer and the Increase in Authorised Share Capital will constitute an adjustment event under the Master Framework and Subscription Agreement; and
- (2) irrevocably confirmed, undertaken and warranted to the Company that Partner Shanghai will not at any time from the date of the PS Consent and Undertaking up to and including the Record Date exercise its right under the Master Framework and Subscription Agreement to request for completion of the subscription under the Master Framework and Subscription Agreement.

CHANGES IN SHAREHOLDING STRUCTURE

For illustrative purposes:

If the Open Offer is to proceed, set out below is the shareholding structure of the Company:

Shareholder	(1) As at the Latest Practicable Date and up to the Record Date		(2) Immediately upon completion of the Open Offer (assuming all Shareholders have taken up the Offer Shares)		(3) Immediately upon completion of the Open Offer (assuming no Shareholder (other than Capital Mate who has taken up the Committed Shares) has taken up the Offer Shares) (Note 1)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Capital Mate	610,911,000	30.74	1,832,733,000	30.74	1,832,733,000	30.74
<i>Public Shareholders:</i>						
<i>Underwriters (Note 2)</i>						
– SBI or subscribers procured by it	–	–	–	–	1,088,961,592	18.27
– OP or subscribers procured by it	–	–	–	–	1,650,000,000	27.68
– EB or subscribers procured by it	–	–	–	–	13,500,000	0.23
Other public Shareholders	1,376,230,796	69.26	4,128,692,388	69.26	1,376,230,796	23.08
Total:	1,987,141,796	100.00	5,961,425,388	100.00	5,961,425,388	100.00

LETTER FROM THE BOARD

Notes:

1. Shareholders and potential shareholders should note that such scenarios are for illustration only. The Company will ensure compliance with the public float requirements pursuant to Rule 8.08 of the Listing Rules at all times. In the circumstances that all conditions of the Underwriting Agreement have been fulfilled and the Open Offer becomes unconditional, the underwriting commitment of the Underwriters would account for approximately 46.17% (assuming there is no change in the shareholding structure of the Company from the Latest Practicable Date up to completion of the Open Offer) of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

Pursuant to the Underwriting Agreement, each of the Underwriters has undertaken (“**Undertaking**”) to the Company that when such Underwriter is being called upon to subscribe for or procure subscription for its part of the Untaken Shares: (1) such Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 30% of the then issued share capital of the Company; (2) such Underwriter shall ensure that none of the subscribers of the Untaken Shares will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of such subscription and such subscriber, together with parties acting in concert with it, shall not be holding 30% or more of the issued share capital of the Company upon the allotment and issue of the Offer Shares; and (3) such Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters) shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company or any of its subsidiaries and their respective close associates.

The Company will take all reasonable steps to monitor the public float of the Company at all times.

2. As at the Latest Practicable Date, (i) SBI, being one of the Underwriters, has entered into three separate sub-underwriting agreements with each of Jun Yang Securities Co. Ltd., Fordjoy Securities and Futures Limited and Astrum Capital Management Limited respectively in relation to the sub-underwriting of 1,022,110,409 Offer Shares, 511,055,204 Offer Shares, and 511,055,204 Offer Shares respectively. Each of such sub-underwriters is a licensed corporation under the SFO and principally carries on regulated activities under the SFO, including but not limited to Type 1 (dealing in securities) regulated activity and hence, the sub-underwriting arrangements are in the ordinary course of business of each of such sub-underwriters; and (ii) EB, being one of the Underwriters, had entered into one sub-underwriting arrangement with a sub-underwriter in relation to the sub-underwriting of 13,500,000 Offer Shares. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the sub-underwriters is an Independent Third Party and as informed by the relevant Underwriters, each of such sub-underwriting arrangements is in compliance with the Undertaking. Further, as informed by the Underwriters, the Underwriters and/or sub-underwriters are in the course of identifying potential investors for subscription of the Underwritten Shares and that the Underwriters will and will cause the sub-underwriters to procure independent subscribers to take up

LETTER FROM THE BOARD

such number of Offer Shares as necessary to ensure that the public float requirements under the Listing Rules are complied with immediately after the allotment and issue of the Offer Shares. Therefore, it is expected that none of the Underwriters, the sub-underwriters and the ultimate subscribers procured by the Underwriters and the sub-underwriters will (together with each of the respective parties acting in concert or any of their respective connected persons or associates) hold in aggregate 10% or more of the voting rights in the Company immediately after the allotment and issue of the Offer Shares and that the public float of the Company as required under the Listing Rules could be maintained.

Shareholders and public investors should note that the above changes in shareholding structure are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Open Offer are subject to various factors, including but not limited to the results of acceptance of the Open Offer. Further announcement will be made by the Company in accordance with the Listing Rules following the completion of the Open Offer upon which the Offer Shares are allotted and issued.

REASONS FOR THE OPEN OFFER

The Group is principally engaged in growing, processing and sales of agricultural products and consumer food and beverage products.

The Directors are of the view that the Open Offer will enable the Company to raise funds for reducing its indebtedness so as to improve the gearing ratio of the Group and other financial performance of the Group. In addition, the Open Offer would allow the Company to strengthen its capital base and provide an opportunity to all Qualifying Shareholders to participate in the future development of the Company. The Board has considered other alternative fund raising methods such as issue of new Shares, bank borrowings and rights issue, and considers that it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has also considered a rights issue as an alternative means of fund raising to the Open Offer in which a rights issue is similar to an open offer except that it enables the Shareholders to trade in nil-paid rights. Considering the current monetary value per board lot, the Board is of the opinion that the trading of nil-paid rights will incur a high transaction cost, which would not be economical and commercially preferred. Further, if the Company is to carry out a rights issue instead of the Open Offer, additional administrative work would be involved by the Company for arranging the trading of nil-paid rights and liaising with other parties such as the Company's share registrar and transfer office, the Underwriters and other professional advisers, and as compared to a rights issue, the absence of trading of nil-paid rights in the Open Offer reduces associated administrative work and costs thus requires less time for completion. Furthermore, there is also uncertainty of the existence of a market to trade the nil-paid rights in view of the fluctuation in the historical trading price of the Shares.

LETTER FROM THE BOARD

In view of the above, the Board is of the opinion that raising funds by way of the Open Offer is more cost effective and efficient and beneficial to the Company and its Shareholders as a whole than a rights issue. As the Qualifying Shareholders are entitled to subscribe for the Offer Shares at the same price in proportion to their respective existing shareholdings in the Company so as to maintain their shareholding percentages in the Company rather than an opportunity for certain Qualifying Shareholders to increase their shareholdings in the Company, the Shareholders are treated equally and fairly under the Open Offer. Further, as mentioned in the paragraph headed “The Open Offer - Subscription Price” in this letter from the Board, the Open Offer is structured with an objective to encourage all the Qualifying Shareholders to take up their respective assured entitlements such that the Subscription Price is set at a substantial discount to the prevailing market price of the Shares which provides reasonable incentives to all the Qualifying Shareholders to participate in the Open Offer. Accordingly, the Directors consider that the terms of the Underwriting Agreement are fair and reasonable and that the Underwriting Agreement and the Open Offer are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS FROM THE OPEN OFFER

The Company will raise approximately HK\$794.9 million before expenses from the Open Offer. The Company intends to use the net proceeds from the Open Offer, being approximately HK\$772.9 million, as to approximately HK\$400 million for the repayment of the 19.2% per annum notes issued by the Company on 8 April 2015 in an aggregate principal amount of HK\$380 million, further details of which are disclosed in the announcements of the Company dated 25 March 2015 and 8 April 2015, in full. The remaining of approximately HK\$372.9 million will be used as to (i) approximately HK\$200 million to reduce other indebtedness of the Group, such as interest payment on the 7.00 per cent. Bonds and the 10.00 per cent. Bonds and the partial redemption of the 10.00 per cent. Bonds which will fall due in October 2015 in the aggregate amount of approximately HK\$176 million, and certain outstanding short term onshore loans in the aggregate amount of approximately RMB68 million which will fall due between August and December 2015; (ii) approximately HK\$100 million to strengthen and develop the fresh produce and processed products and branded food products related businesses of the Group; (iii) approximately HK\$24 million for the payment of professional fees and initial costs estimated for restructuring of the Group’s business in preparation of the very substantial disposal as announced by the Company on 17 April 2015; and (iv) approximately HK\$48.9 million as general working capital and operating expenses of the Group.

The estimated expenses in relation to the Open Offer, including the underwriting commission, financial, legal and other professional expenses, of approximately HK\$22 million, will be borne by the Company.

As at the Latest Practicable Date, save for the Open Offer, the Company has no present plans to further conduct any fund raising activities for its existing business operations for the next twelve months. However, if there shall arise any other potential investment opportunities or any change of the Group’s current circumstances and existing business plans and that the proceeds from the Open Offer may not satisfy such upcoming financing needs, the Board does not rule out the possibility that the Company may conduct further equity and/or fund financing raising exercises to support such future developments of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

The Directors consider that based on the current available financial information of the Group and taking into account the Open Offer, the Group will have sufficient working capital for its present requirements for at least the next twelve months following the date of this prospectus.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY WITHIN 12 MONTHS PRIOR TO THE LATEST PRACTICABLE DATE

Apart from the fund raising activities mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
25 March 2015 and 8 April 2015	Issue of loan notes in the principal amount of HK\$380 million	HK\$379 million	Partial redemption of the 10.00 per cent. Bonds and payment of accrued interests under the Bonds	Utilised as intended, as to approximately HK\$327.8 million for the partial redemption of the 10.00 per cent. Bonds and payment of accrued interests under the Bonds
13 August 2014	Issue of 395,328,000 new Shares at a price of HK\$0.25 per Share under specific mandate obtained from the Shareholders on 17 October 2014	HK\$98.0 million	As to (i) approximately HK\$30.0 million for reduction of the Group's level of debt; (ii) approximately HK\$20.0 million for general working capital of the Group; and (iii) approximately HK\$48.0 million for the Group's own development of new business projects and in case such new business projects do not materialise, such net proceeds will be used for investment in other agriculture-related business and/or companies or further development of the branded beverage products business of the Group	Utilised as intended, as to approximately HK\$30.8 million for reduction of the Group's level of debt, as to approximately HK\$21.7 million as general working capital of the Group which included operating expenses, payment of professional fees and loan interests and as to approximately HK\$45.5 million for investment in the agriculture related business of the Group, as part of the subscription price paid by the Company for subscription of shares in Oriental Unicorn Agricultural Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange, details of which are disclosed in the announcement of the Company dated 28 October 2014

LETTER FROM THE BOARD

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
29 July 2014 and 19 September 2014	Open offer on the basis of one offer share for every two shares held on the then record date at an offer price of HK\$0.25 per offer share	HK\$128.6 million	As to (i) approximately HK\$47 million for the payment of interests of the Bonds due in October 2014; and (ii) the remaining of approximately HK\$81.6 million as to approximately HK\$58.6 million to reduce the debt level of the Group and as to approximately HK\$23 million as general working capital of the Group	Utilised as intended, as to approximately HK\$48 million for payment of interests of the Bonds due in October 2014, as to approximately HK\$58.7 million to reduce the debt level of the Group, and as to approximately HK\$21.9 million as general working capital of the Group which included operating expenses, payment of professional fees and loan interests

Reference is made to the announcements of the Company dated 4 September 2013 and 23 October 2013. Under the Master Framework and Subscription Agreement, 226,553,576 new Shares will be issued and allotted under specific mandate to Partner Shanghai as the subscriber at a subscription price of HK\$1.34 per Share. As at the Latest Practicable Date, completion of the subscription had not yet taken place and no proceeds from the subscription had been raised.

ADJUSTMENTS RELATING TO THE BONDS UPON COMPLETION OF THE OPEN OFFER

Pursuant to the terms and conditions of the Bonds, adjustments to the conversion price per Conversion Share may be made upon the Open Offer becoming unconditional. The Company will notify the Bondholders the adjustments (if any) that ought to be made to the conversion price under the Bonds in accordance with the terms and conditions of the Bonds.

WARNING OF THE RISKS OF DEALING IN THE SHARES

The Open Offer is conditional, among other things, upon the obligations of the Underwriters under the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should therefore exercise extreme caution when dealing in the Shares. Any Shareholders or other persons contemplating dealing in the Shares are recommended to consult their own professional advisers.

Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Thursday, 2 July 2015), will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholders or other persons contemplating dealing in the Shares, who is in any doubt about their position, is recommended to consult their own professional advisers.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

On behalf of the Board
China Culiangwang Beverages Holdings Limited
Sun Shao Feng
Chairman

1. FINANCIAL INFORMATION OF THE COMPANY

The audited consolidated financial statements of the Group for the year ended 30 April 2012, the year ended 30 April 2013 and the year ended 30 April 2014 together with accompanying notes have been included in the annual report of the Company for the year ended 30 April 2012 (pages 41 to 123), the annual report of the Company for the year ended 30 April 2013 (pages 34 to 117) and the annual report of the Company for the year ended 30 April 2014 (pages 41 to 145) respectively.

The said annual reports of the Company are available on the Company's website at www.chinaclw.com.hk and the website of the Stock Exchange at www.hkexnews.hk.

2. INDEBTEDNESS

As at the close of business on 30 April 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus:

Borrowings

As at the close of business on 30 April 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had outstanding indebtedness of approximately RMB765,270,000. The outstanding indebtedness comprised (i) secured bank borrowings of approximately RMB425,270,000; and (ii) unsecured bank borrowings of approximately RMB340,000,000.

Collateral security

The aforesaid secured bank borrowings of approximately RMB425,270,000 were secured by the property, plant and equipment, interest in leasehold land held for own use under operating leases and pledged bank deposit with a carrying amount of approximately RMB141,198,000, RMB118,469,000 and RMB287,139,000 respectively.

Convertible bonds

As at the close of business on 30 April 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had two tranches of convertible bonds which are US\$ settled 7.00% due in 2016 and US\$ settled 10.00% due in 2016 with a principal amount of approximately RMB515,280,000 and RMB174,267,696 respectively.

For the aforesaid convertible bonds, all the shares in China Green Food Group Limited, a subsidiary of the Company incorporated in Hong Kong, Dragon Choice Enterprises Limited, Goldprosper Enterprises Limited, Crop Harvest Enterprises Limited, China Green Harvest Enterprises Limited, Icatrad Enterprises Limited, Summit Achieve Holdings Limited and On Success Enterprises Limited, all being subsidiaries of the Company incorporated in the British Virgin Islands, held by the Company were charged in favour of the trustee for the benefit of the bondholders of the convertible bonds due in 2016.

Interest bearing notes

As at the close of business on 30 April 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had issued interest bearing notes with the carrying amounts of RMB304,000,000. The interest bearing notes bear interest at 19.2% per annum and will be matured in 6 months after issue.

Contingent liabilities

As at the close of business on 30 April 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had no other material contingent liabilities outstanding.

Disclaimer

Save as aforesaid and apart from intra-group liabilities and normal trade payables, as at the close of business on 30 April 2015, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, financial lease, hire purchases commitments, guarantees or other material contingent liabilities.

Foreign currency amounts have been translated into Hong Kong dollars at the exchange rates prevailing as at close of business on 30 April 2015.

Save as disclosed above, the Directors were not aware of any material changes in the indebtedness and contingent liabilities of the Group after 30 April 2015 and up to the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstance, taking into account of the internal resources of the Group and the available banking facilities, the Group will have sufficient working capital for its present requirements for at least the next twelve months following the date of this prospectus.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial and trading position of the Group since 30 April 2014, being the date on which the latest published audited financial statements of the Company were made up.

5. BUSINESS PROSPECTS**Trading and financial prospects of the Group**

The Group is principally engaged in three major businesses: (1) branded beverage products, (2) fresh produce and processed products and (3) branded food products. As stated in the interim report of the Company for the six months ended 31 October 2014, the Group recorded a consolidated turnover of approximately RMB1,060.6 million, profit before taxation of approximately RMB62.8 million, and profit attributable to owners of the Company of approximately RMB10.6 million for the six months ended 31 October 2014. The Group also recorded consolidated total assets of approximately RMB5,759.6 million and consolidated total liabilities of approximately RMB1,977.1 million as at 31 October 2014.

The Group's fresh produce and processed products include primarily fresh vegetables. During the first half of 2014/2015, the total revenue from the fresh produce and processed products business dropped from RMB173.8 million to RMB144.0 million which is mainly due to the fact that there was no export from the Group during the period.

The Group's branded food and other products include primarily rice and hotpot products sold under the Group's own brand. Revenue from the branded food and other products increased from approximately RMB74.3 million in the first half of 2013/14 to approximately RMB80.3 million in the first half of 2014/2015.

For the branded beverage products business of the Group, revenue dropped slightly from approximately RMB848.0 million for the six months ended 31 October 2013 to approximately RMB836.3 million for the six months ended 31 October 2014. This is because the overall economy growth in China was slower compared with the past few years and the beverage market was in a slow and sluggish trend in general. However, as economic policy turned to ensure steady growth, more relaxing monetary policy is expected to launch in the near future which would promote domestic consumption.

As announced in the Company's announcement dated 17 April 2015, the Group proposed to dispose of its branded beverage products business (but excluding porridge or congee and beverage products in powder form). Following the disposal, the Company will continue with its business and strategy shift towards a consumer product driven business, from the cultivation and production of agricultural products and processing business. This shift has already seen the successful transformation of the Company into a consumer product driven business in 2009, with its agricultural raw materials and processed capability started serving as a support function. Since then, the Company has been placing a significant emphasis on the multi grain products targeting the health and brand conscious customers in the PRC. Despite the disposal, the Company will continue with its multi grain focus, with an emphasis on non-beverage branded consumer products. The Directors would wish to emphasize that the disposal does not change the Company's overall strategy and commitment to becoming a leading player in the multi grain consumer field. The disposal will, however, accelerate the optimization of the Company's consumer products range, by moving out of the beverage products into other forms of multi grain food and snack products. Such products include light meals and snacks, taking the forms of pastry, biscuit, cereal, red or green bean soup, and dessert. Some of these products are already under development or production. For example, the Company commenced the development of the multi grain breakfast meals and production and sales of dessert in 2014, utilizing its R&D capacities and proprietary deep-processing techniques. The Company plans to diversify and expand the multi grain non-beverage product range to meet the market demand and potential for functional food and snack consumer products in the PRC and elsewhere. The Group will continue its porridge and congee business.

Since 2009, the Company has gained significant experience and traction in the development, manufacturing, sale and marketing of branded consumer products. The Company plans to leverage on this experience by continuing with its momentum in the development of branded consumer products featuring multi grains to the exclusion of beverage products. The Group still has substantial operating assets after the disposal including production lines and facilities. As of 31 March 2015, the Group had a dedicated R&D team comprising approximately 20 staff, a sales and marketing team of approximately 115 staff, and management and other processing and general staff of over 700. They will stay with the Group following the disposal. The Company's four processing facilities located in Hubei, Jiangxi, Fujian and Hebei provinces do not form part of the disposed business. Those facilities will be readily available to switch into the development and production of the new variety and flavors offered by the Company's broadened food and snack consumer product segment. The Company will harness its brand development experience by creating new brands for its broadened food and snack segment. The new brands can be used in conjunction with the Company's renowned "China Green" brand, or as standalone brands.

For the fresh produce and processed products business, the Board is formulating the suitable strategy tailored for the said segment. The Company plans to take steps to develop an online sales capability, with a view to integrating it into its existing, well-established offline distribution and sales channels. The new online to offline (O2O) model will serve to optimize the reach and market access offered by the Group's distribution and sales network. The Group also plans to continue with the cultivation and processing of agriculture products for internal use and sale to other food producers. The Group will benefit from its upstream cultivation and agricultural product processing resources, through its own cultivation bases and those leased from its cultivation base partners. The access to these cultivation bases will provide the Group with a dependable and steady source of high-quality agricultural raw materials required of the multi grain food and snack production. The high safety standards of the agricultural raw materials adopted by the Company in these cultivation bases will reinforce the health driven theme to be featured by the Company's broadened food and snack products.

The Company is committed to developing itself into a leading multi grain non-beverage consumer food and snack producer. As evidenced by the disposal, the Company's venture into the disposed business has proven to be a step in the right direction. The Company will seek to continue with its momentum already gathered in its multi grain related consumer business through the above-mentioned food and snack business strategies.

6. EVENTS AFTER 30 APRIL 2014, BEING THE DATE TO WHICH THE LATEST PUBLISHED AUDITED CONSOLIDATED ACCOUNTS OF THE GROUP WERE MADE UP

- (1) As disclosed in the circular of the Company dated 6 June 2014, the Board put forward a proposal to obtain a fresh authorisation from the Shareholders for the allotment and issue of the Conversion Shares so that the maximum number of the Conversion Shares that may fall to be allotted and issued upon the exercise of the conversion rights attached to the Bonds in full will not be capped at the respective maximum number as stated in the Company's circular dated 18 May 2013 but will be adjusted in accordance with the terms and conditions of the respective Bonds ("**Clarification of number of Shares issuable under the Bonds**"). The ordinary resolution regarding the Clarification of number of Shares issuable under the Bonds was duly passed by the Shareholders at the special general meeting of the Company held on 30 June 2014.

- (2) As disclosed in the announcement of the Company dated 20 June 2014, the parties to the Master Framework and Subscription Agreement and 紫荊控股有限公司 (in English for identification only, Tsinghua Redbud Holding Ltd.) (“**Tsinghua Redbud**”) entered into a novation agreement (“**Novation Agreement**”) pursuant to which, all the rights, benefits and obligations of the lender named in the Master Framework and Subscription Agreement under the Master Framework and Subscription Agreement were novated to Tsinghua Redbud upon the signing of the Novation Agreement to streamline the relationship of the parties under the Master Framework and Subscription Agreement. Save for the novation to Tsinghua Redbud and consequential changes, all material terms of the Master Framework and Subscription Agreement remain unchanged.
- (3) As disclosed in the announcement of the Company dated 29 July 2014 and the prospectus of the Company dated 28 August 2014, the Company proposed the issue of not less than 530,420,270 offer shares and not more than 802,736,922 offer shares by way of open offer at the subscription price of HK\$0.25 per offer share on the basis of one offer share for every two Shares in issue on 27 August 2014. As disclosed in the announcement of the Company dated 19 September 2014, completion of the open offer took place on 22 September 2014 and an aggregate of 530,420,270 Shares were issued and allotted accordingly and net proceeds of approximately HK\$128.6 million were raised.
- (4) As disclosed in the announcement of the Company dated 13 August 2014, the Company and Jun Yang Solar Power Investments Limited (“**Jun Yang**”), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange, entered into a subscription agreement pursuant to which Jun Yang has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 395,328,000 new Shares (“**Subscription Shares**”) at the subscription price of HK\$0.25 per Subscription Share. The Subscription Shares were allotted and issued on 24 October 2014 under the specific mandate granted to the Directors by the Shareholders at the special general meeting of the Company held on 17 October 2014.
- (5) As disclosed in the announcement of the Company dated 28 October 2014, the Company and Oriental Unicorn Agricultural Group Limited (“**OUA**”), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange, entered into two subscription agreements pursuant to which the Company has conditionally agreed to subscribe for, and OUA has conditionally agreed to allot and issue (a) 260,000,000 new shares of OUA at the subscription price of HK\$0.175 per share (“**First Tranche Subscription**”); and (b) 83,000,000 new shares of OUA at the subscription price of HK\$0.175 per share (“**Second Tranche Subscription**”). Completion of the First Tranche Subscription took place on 10 November 2014 and completion of the Second Tranche Subscription took place on 11 February 2015. Upon completion of both subscriptions, the Group held a total of 343,000,000 shares of OUA, representing approximately 20.87% of the enlarged issued share capital of OUA and OUA became an associate of the Group.

- (6) As disclosed in the announcement of the Company dated 25 March 2015, the Company as the issuer and Convoy Asset Management Limited as the placing agent entered into a placing agreement pursuant to which Convoy Asset Management Limited agreed to act as placing agent of the Company, on a best endeavour basis, to procure placee(s) to subscribe for the 19.2% per annum notes (“**Notes**”) to be issued by the Company in an aggregate principal amount of up to HK\$380,000,000 maturing on the same calendar date of the 6th month after the issue date of the Notes at the placing price equal to 100% of the principal amount of the Notes. As disclosed in the announcement of the Company dated 8 April 2015, the placing period of the placing ended on 2 April 2015 and completion of the issue of the Notes in an aggregate principal amount of HK\$380,000,000 took place on 8 April 2015 and the net proceeds from the issue of the Notes were used to finance the partial redemption of the 10.00 per cent. Bonds and the payment of the accrued interests for the Bonds.
- (7) On 15 April 2015, (a) the Company, 中綠(泉州)食品開發有限公司 (in English for identification only, Zhonglu (Quanzhou) Green Foods Developing Co., Ltd.), 中綠之源(廈門)貿易有限公司 (in English for identification only, China Green Resources (Xiamen) Sales Co., Ltd., “**Xiamen Company**”), each of which an indirect wholly-owned subsidiary of the Company, and 可口可樂飲料(上海)有限公司 (in English for identification only, Coca-Cola Beverages (Shanghai) Company Limited) (“**CCBSL**”) entered into an equity transfer agreement (“**Equity Transfer Agreement**”) pursuant to which CCBSL has conditionally agreed to acquire, and the Xiamen Company has conditionally agreed to sell (“**Disposal**”), the entire equity interest in 廈門粗糧王飲品科技有限公司 (in English for identification only, Xiamen Culiangwang Beverage Technology Co., Ltd., the “**Target Company**”), a limited liability company incorporated in the PRC and wholly-owned by the Xiamen Company, at a consideration on the agreed enterprise value of US\$400.5 million (subject to adjustments). The Disposal constituted a very substantial disposal of the Company under the Listing Rules and is subject to Shareholders’ approval at a special general meeting of the Company to be convened for considering and approving, among other things, the Equity Transfer Agreement and the transactions contemplated thereunder; and (b) for the purposes of the Disposal, among other parties, the parties to the Equity Transfer Agreement, and the Target Company have entered into a restructuring agreement on the same date as the Equity Transfer Agreement to carry out a series of restructuring steps intended to consolidate the business of the manufacturing, marketing and sale of beverage products (but excluding porridge or congee and beverage products in powder form), as carried on by certain members of the Group under the Target Company, further details of each of which are disclosed in the announcement of the Company dated 17 April 2015.

PRO FORMA FINANCIAL INFORMATION OF THE GROUP

(A) *The following is the text of a report, prepared for the sole purpose of incorporation in this prospectus and received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.*



國 衛 會 計 師 事 務 所 有 限 公 司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

15 June 2015

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN AN
INVESTMENT CIRCULAR**

To the Board of Directors of China Culiangwang Beverages Holdings Limited

We have completed our assurance engagement to report on the unaudited pro forma financial information (the **"Unaudited Pro Forma Financial Information"**) of China Culiangwang Beverages Holdings Limited (the **"Company"**) and its subsidiaries (collectively the **"Group"**) by the directors for illustrative purposes only. The Unaudited Pro Forma Financial Information consists of the pro forma net assets statement as at 31 October 2014 and related notes as set out on pages II-1 to II-3 of the prospectus issued by the Company dated 15 June 2015 (the **"Prospectus"**). The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described on pages II-4 to II-5 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed open offer of 3,974,283,592 offer shares at HK\$0.20 per offer share on the basis of two offer shares for every one share of the Company held on the record date (the **"Open Offer"**) on the Group's consolidated financial position as at 31 October 2014 as if the Open Offer had taken place at 31 October 2014. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's consolidated financial statements for the period ended 31 October 2014, no audited or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**) and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the **"HKICPA"**).

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the respective dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 October 2014 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex
Practising Certificate Number: P05029
Hong Kong

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

(B) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma financial information of the Group (the “**Unaudited Pro Forma Financial Information**”) attributable to equity shareholders of the Company is prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the proposed open offer (the “**Open Offer**”) of 3,974,283,592 offer shares of HK\$0.10 each at HK\$0.20 per offer share on the basis of two shares for every one share of the Company held as at the Record Date and on the consolidated net tangible assets of the Group as if the Open Offer had been completed on 31 October 2014.

The Unaudited Pro Forma Financial Information of the Group is prepared for illustrative purposes only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Open Offer as at the date to which it is made up or at any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the consolidated net tangible assets attributable to equity shareholders of the Company as at 31 October 2014 and adjusted to reflect the effect of the Open Offer:

	Unaudited consolidated net tangible assets of the Group as at 31 October 2014 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>RMB'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group <i>RMB'000</i>	Unaudited consolidated net tangible assets of the Group per share as at 31 October 2014 prior to the completion of the Open Offer <i>(Note 3)</i>	Unaudited consolidated net tangible assets of the Group per share upon completion of the Open Offer <i>(Note 4)</i>
Proposed offer share issued					
3,974,283,592 offer shares issued	<u>3,782,379</u>	<u>609,629</u>	<u>4,392,008</u>	<u>RMB1.90</u> per share	<u>RMB0.74</u> per share

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

- (1) The unaudited consolidated net tangible assets of the Group as at 31 October 2014 is calculated based on the capital and reserves attributable to the owners of the Company as at 31 October 2014 of approximately RMB3,782,379,000, as extracted from the published unaudited interim report of the Company for the six months ended 31 October 2014.
- (2) The estimated net proceeds from the Open Offer are based on issuing 3,974,283,592 offer shares of HK\$0.10 each at HK\$0.20 per offer share on the basis of two shares for every one share of the Company held as at the Record Date, after deducting the estimated underwriting commission and other related expenses of approximately HK\$22 million (approximately to RMB17.3 million) to be incurred by the Company. The estimated net proceeds from the Open Offer are converted into Renminbi at an exchange rate of HK\$1 to RMB0.7888, the prevailing exchange rate on 31 March 2015.
- (3) The number of shares used for the calculation of this amount is 1,987,141,796 representing shares in issue as at Latest Practicable Date as if the completion of the Open Offer has taken place on 31 October 2014.
- (4) The number of shares used for the calculation of this amount is 5,961,425,388, representing 1,987,141,796 issued shares plus 3,974,283,592 offer shares upon completion of Open Offer.
- (5) No adjustment other than those adjusted above has been made to reflect any trading results or other transactions of the Group subsequent to 31 October 2014.

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus 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 prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Open Offer were/will be as follows:

(A) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.1 each	<u>1,000,000,000.0</u>
<i>Issued and fully paid:</i>		
<u>1,987,141,796</u>	Shares of HK\$0.1 each	<u>198,714,179.6</u>

(B) Immediately following the completion of the Open Offer, assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date up to completion of the Open Offer

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.1 each	<u>1,000,000,000.0</u>
<i>Issued and fully paid/to be issued:</i>		
1,987,141,796	Shares as at the Latest Practicable Date	198,714,179.6
<u>3,974,283,592</u>	Offer Shares to be allotted and issued under the Open Offer	<u>397,428,359.2</u>
<u>5,961,425,388</u>	Shares upon completion of the Open Offer	<u>596,142,538.8</u>

As at the Latest Practicable Date, the Company had Bonds which comprised of (i) the 7.00 per cent. Bonds in the aggregate principal amount of RMB514,880,000, carrying rights which entitled the Bondholders to convert up to 637,227,723 Conversion Shares at the conversion price of HK\$1.01 per Conversion Share (subject to adjustments); and (ii) the 10.00 per cent. Bonds in the aggregate principal amount of RMB173,867,696, carrying rights which entitled the Bondholders to convert up to 25,183,618 Conversion Shares at the conversion price of HK\$8.63 per Conversion Share (subject to adjustments).

Under the Master Framework and Subscription Agreement, 226,553,576 new Shares may be issued and allotted under specific mandate to Partner Shanghai as the subscriber. Under the PS Consent and Undertaking, Partner Shanghai had undertaken not at any time from the date of the PS Consent and Undertaking up to and including the Record Date exercise its right under the Master Framework and Subscription Agreement to request for completion of the subscription under the Master Framework and Subscription Agreement. Please also refer to the paragraph headed “Underwriting Agreement – PS Consent and Undertaking” in the Letter from the Board in this prospectus for further details.

All the existing Shares in issue are fully-paid and rank pari passu in all respects including all rights as to dividends, voting and return of capital. The Offer Shares, when allotted, issued and fully-paid, will rank pari passu with the Shares in issue on the date of their respective allotment and issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Offer Shares.

As at the Latest Practicable Date, save that the Bonds are listed on the Singapore Exchange Securities Trading Limited, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert for or exchange for Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends were waived or agreed to be waived.

3. DIRECTORS’ INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director in the shares or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

Name of Director	Nature of interest	Number of Shares and underlying Shares	Approximate percentage of interest
Sun Shao Feng	Interest of controlled corporation	1,832,733,000 (Note 2)	30.74% (Note 1)

Notes:

1. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue immediately following the completion of the Open Offer (assuming no Shares, other than the Offer Shares, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), that is, 5,961,425,388.
 2. These Shares comprise (i) 610,911,000 Shares held by Capital Mate; and (ii) 1,221,822,000 Committed Shares. Capital Mate is wholly and beneficially owned by Mr. Sun Shao Feng, an executive Director, the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Sun Shao Feng is a director of Capital Mate.
- (b) Save as disclosed in this prospectus, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS

- (a) As at the Latest Practicable Date, so far as is known to the Directors, the following persons, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Nature of interest	Number of Shares and underlying Shares	Approximate percentage of interest (Note 1)
Capital Mate	Beneficial owner	1,832,733,000 (L) (Note 2)	30.74%
Oriental Patron Securities Limited	Beneficial owner	1,650,000,000 (L) (Note 3)	27.68%
Perfect Field Holdings Limited	Beneficial owner	1,650,000,000 (L) (Note 3)	27.68%
OP Financial Group Limited	Beneficial owner	1,650,000,000 (L) (Note 3)	27.68%
Oriental Patron Financial Services Group Limited	Interest in controlled corporation	1,650,000,000 (L) (Note 3)	27.68%
Oriental Patron Financial Group Limited	Interest in controlled corporation	1,650,000,000 (L) (Note 3)	27.68%
Zhang Gaobo	Interest in controlled corporation	1,650,000,000 (L) (Note 3)	27.68%
Zhang Zhi Ping	Interest in controlled corporation	1,650,000,000 (L) (Note 3)	27.68%
SBI China Capital Financial Services Limited	Interest in controlled corporation	1,087,855,620 (L) (Note 4)	18.25%
Long Vehicle Capital Limited	Interest in controlled corporation	1,087,855,620 (L) (Note 4)	18.25%

APPENDIX III

GENERAL INFORMATION

Name of Shareholder	Nature of interest	Number of Shares and underlying Shares	Approximate percentage of interest (Note 1)
Zhang Xiongfeng	Interest in controlled corporation	1,087,855,620 (L) (Note 4)	18.25%
Probest Limited	Interest in controlled corporation	1,087,855,620 (L) (Note 4)	18.25%
Cao Guoqi	Interest in controlled corporation	1,087,855,620 (L) (Note 4)	18.25%
Jun Yang Securities Co. Ltd.	Other	1,022,110,409 (L) (Note 5)	17.15%
Jun Yang Solar Power Investments Limited	Other	1,022,110,409 (L) (Note 5)	17.15%
Fordjoy Securities and Futures Limited	Other	511,055,204 (L) (Note 6)	8.57%
Yuen Shu Ming	Interest of controlled corporation	511,055,204 (L) (Note 6)	8.57%
Astrum Capital Management Limited	Other	511,055,204 (L) 500,000,000 (S) (Note 7)	8.57% 8.39%
Astrum China Direct Investments Limited	Interest in controlled corporation	511,055,204 (L) 500,000,000 (S) (Note 7)	8.57% 8.39%
Pan Chik	Interest in controlled corporation	511,055,204 (L) 500,000,000 (S) (Note 7)	8.57% 8.39%
Liu Ming Lai Lorna	Interest of spouse	511,055,204 (L) 500,000,000 (S) (Note 7)	8.57% 8.39%
Partner Shanghai	Beneficial owner	226,553,576 (L) (Note 8)	11.40 (Note 9)
北大未名(上海)投資控股有限公司 (Peking University V-Ming (Shanghai) Investment Holdings Co., Ltd (“ Peking V-Ming Investment ”))	Interest in controlled corporation	226,553,576 (L) (Note 8)	11.40 (Note 9)

Notes:

1. Unless otherwise stated, the percentage shareholding in the Company is calculated by reference to the number of Shares in issue immediately following the completion of the Open Offer (assuming no Shares, other than the Offer Shares, are allotted and issued from the Latest Practicable Date to the completion of the Open Offer), that is, 5,961,425,388.
 2. These Shares comprise (i) 610,911,000 Shares held by Capital Mate; and (ii) 1,221,822,000 Committed Shares. Capital Mate is wholly and beneficially owned by Mr. Sun Shao Feng, an executive Director, the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Sun Shao Feng is a director of Capital Mate.
 3. Based on the notices of disclosure of interests of Oriental Patron Securities Limited, Perfect Field Holdings Limited, OP Financial Group Limited, Oriental Patron Financial Services Group Limited, Oriental Patron Financial Group Limited, Zhang Gaobo and Zhang Zhi Ping each filed with the Stock Exchange dated 21 April 2015, these interests are held by Oriental Patron Securities Limited, which is wholly owned by Perfect Field Holdings Limited, which is in turn owned as to 71% by OP Financial Group Limited. OP Financial Group Limited is wholly owned by Oriental Patron Financial Services Group Limited, which is in turn owned as to 95% by Oriental Patron Financial Group Limited. Oriental Patron Financial Group Limited is owned as to 49% by Zhang Gaobo and as to 51% by Zhang Zhi Ping.
 4. Based on the notices of disclosure of interests of SBI China Capital Financial Services Limited, Long Vehicle Capital Limited, Zhang Xiongfeng, Probest Limited and Cao Guoqi each filed with the Stock Exchange dated 21 April 2015, these interests are held by SBI China Capital Financial Services Limited, which is wholly-owned by SBI China Capital Securities Limited, which is in turn wholly-owned by SBI China Capital Holdings Limited. SBI China Capital Holdings Limited is owned as to 48% by Long Vehicle Capital Limited and as to 52% by Probest Limited. Long Vehicle Capital Limited is wholly-owned by Zhang Xiongfeng and Probest Limited is wholly owned by Cao Guoqi.
 5. Based on the notices of disclosure of interests of Jun Yang Securities Co. Ltd. and Jun Yang Solar Power Investments Limited each filed with the Stock Exchange dated 20 April 2015, these interests are held by Jun Yang Securities Co. Ltd., which is wholly owned by Golden Moral Investments Limited, which is in turn wholly owned by Jun Yang Solar Power Investments Limited.
 6. Based on the notices of disclosure of interests of Fordjoy Securities and Futures Limited and Yuen Shu Ming each filed with the Stock Exchange dated 21 April 2015, these interests are held by Fordjoy Securities and Futures Limited, which is owned as to 76% by Yuen Shu Ming.
 7. Based on the notices of disclosure of interests of Astrum Capital Management Limited, Astrum China Direct Investments Limited, Pan Chik and Liu Ming Lai Lorna each filed with the Stock Exchange dated 27 May 2015, these interests are held by Astrum Capital Management Limited, which is owned as to 80% by Astrum China Direct Investments Limited. Astrum China Direct Investments Limited is wholly-owned by Pan Chik. Liu Ming Lai Lorna is the spouse of Pan Chik.
 8. Based on the notices of disclosure of interests of Peking V-Ming Investment filed with the Stock Exchange dated 19 April 2013, Partner Shanghai is a wholly-owned subsidiary of Peking V-Ming Investment. Under Part XV of the SFO, Peking V-Ming Investment is deemed to be interested in all the Shares in which Partner Shanghai is interested.
 9. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue as at the Latest Practicable Date, that is, 1,987,141,796.
 10. The letter (L) above denotes long position and the letter (S) above denotes short position.
- (b) Save as disclosed in this prospectus, so far as is known to the Directors, there is no other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

5. INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, save for the CM Undertaking in which Mr. Sun Shao Feng had a material interest, none of the Directors was materially interested in contract or arrangement subsisting which is significant in relation to the business of the Group, nor had any Director had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 April 2014, the date to which the latest published audited consolidated financial statements of the Group were made up.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

7. SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the non-binding term sheet dated 23 June 2013 entered into between the Company and Partner Shanghai in relation to a proposal to replace the subscription agreement dated 21 March 2013 between themselves in relation to the subscription by Partner Shanghai of 176,805,000 new Shares as amended by the supplemental letter dated 17 April 2013 to increase the subscription by Partner Shanghai from 176,805,000 new Shares to 226,553,576 new Shares, with a loan in the amount of HK\$303,581,792, on a without prejudice and subject to contract basis, further details of which are set out in the announcement of the Company dated 23 June 2013;
- (b) the Master Framework and Subscription Agreement, further details of which are set out in the announcement of the Company dated 4 September 2013;
- (c) the entrusted loan agreement dated 14 October 2013 entered into between (i) a PRC bank (“**Entrusted PRC Bank**”); (ii) China Green Foods Group Co. Ltd.; and (iii) 紫荆控股有限公司 (in English for identification only, Tsinghua Redbud Holding Ltd.) (“**Tsinghua Redbud**”), pursuant to which funding arrangements have been effected to extend a loan to China Green Foods Group Co. Ltd. for a term of 5 years at an annual interest rate of 5%, further details of which are set out in the announcements of the Company dated 14 October 2013 and 23 October 2013;

- (d) the equity transfer agreement dated 18 October 2013 entered into between (i) Dragon Choice Enterprises Limited, a direct wholly-owned subsidiary of the Company (“**Dragon Choice**”); (ii) 上海康美醫藥諮詢有限公司 (in English for identification only, Shanghai Kang Mei Pharmaceutical Consulting Ltd.) (“**Shanghai Kang Mei Pharmaceutical**”); (iii) 中綠(上海)實業有限公司 (in English for identification only, Zhonglu (Shanghai) Industry Investment Limited) (“**Target Company**”); and (iv) China Green Foods Group Co. Ltd., pursuant to which Dragon Choice has agreed to sell and Shanghai Kang Mei Pharmaceutical has agreed to acquire 100% equity interest in the Target Company at a consideration of RMB104,000,000, further details of which are set out in the announcement of the Company dated 20 October 2013;
- (e) the top-up placing agreement dated 14 March 2014 entered into between (i) the Company; (ii) OP as placing agent; and (iii) Capital Mate as vendor, pursuant to which OP has agreed, on a best effort basis, to place to not less than six placees who and whose ultimate beneficial owners are independent third parties, up to 176,807,000 Shares (“**Top-up Placing Shares**”) beneficially owned by Capital Mate at the placing price of HK\$0.60 per Share, for and on behalf of Capital Mate, further details of which are set out in the announcement of the Company dated 14 March 2014;
- (f) the top-up subscription agreement dated 14 March 2014 entered into between the Company and Capital Mate, pursuant to which Capital Mate has conditionally agreed to subscribe up to 176,807,000 new Shares and such number shall be equal to the number of the Top-up Placing Shares successfully placed by OP, further details of which are set out in the announcement of the Company dated 14 March 2014;
- (g) the specific mandate placing agreement (“**Specific Mandate Placing Agreement**”) dated 14 March 2014 entered into between the Company and OP, pursuant to which OP has conditionally agreed, on a best effort basis, to place to not less than six placees who and whose ultimate beneficial owners are Independent Third Parties, up to 265,210,000 new Shares at the price of HK\$0.60 per Share under specific mandate, for and on behalf of the Company, further details of which are set out in the announcement of the Company dated 14 March 2014;
- (h) the memorandum of understanding (“**MOU**”) dated 27 March 2014 entered into between the Company and Oriental Unicorn Agricultural Group Limited (“**OUA**”), pursuant to which the parties intend to (i) cooperate to enhance the existing business of the Company in agricultural products cultivation and development; and (ii) expand the existing business of OUA into investment in the field of cultivation, processing and sales of grains in the PRC, further details of which are set out in the announcement of the Company dated 27 March 2014;
- (i) the letter of termination dated 28 April 2014 entered into between the Company and OP, pursuant to which the parties agreed to terminate the Specific Mandate Placing Agreement with effect from 28 April 2014, whereupon the parties’ respective obligations shall forthwith cease and terminate, further details of which are set out in the announcement of the Company dated 28 April 2014;

- (j) the novation agreement dated 20 June 2014 entered into between the parties to the Master Framework and Subscription Agreement and Tsinghua Redbud, pursuant to which all the rights, benefits and obligations under the Master Framework and Subscription Agreement, including the loan granted by Tsinghua Redbud through the Entrusted PRC Bank were novated to Tsinghua Redbud, further details of which are set out in the announcement of the Company dated 20 June 2014;
- (k) the underwriting agreement dated 29 July 2014 entered into between the Company and SBI in relation to the proposed issue of offer shares by way of open offer on the basis of one offer share for every two existing Shares held on the record date (i.e. 27 August 2014) to the qualifying Shareholders on the terms to be set out in the prospectus to be issued by the Company in relation to such open offer;
- (l) the subscription agreement dated 13 August 2014 entered into between the Company and Jun Yang Solar Power Investments Limited (“**Jun Yang**”), pursuant to which Jun Yang has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 395,328,000 new Shares at the subscription price of HK\$0.25 per Share, further details of which are set out in the announcement of the Company dated 13 August 2014;
- (m) the subscription agreements dated 28 October 2014 entered into between the Company and OUA, pursuant to which the Company has conditionally agreed to subscribe for, and OUA has conditionally agreed to allot and issue, (i) 260,000,000 new shares of OUA at the subscription price of HK\$0.175 per share; and (ii) 83,000,000 new shares of OUA at the subscription price of HK\$0.175 per share, further details of which are set out in the announcement of the Company dated 28 October 2014;
- (n) the placing agreement dated 25 March 2015 entered into between the Company as the issuer and Convoy Asset Management Limited (“**Convoy**”) as the placing agent, pursuant to which Convoy agreed to act as placing agent of the Company, to procure third party placees independent of and not connected with the Company to subscribe for the 19.2% per annum notes (“**Notes**”) to be issued by the Company in an aggregate principal amount of up to HK\$380,000,000 maturing on the same calendar date of the 6th month after the issue date of the Notes at the placing price equal to 100% of the principal amount of the Notes, further details of which are set out in the announcements of the Company dated 25 March 2015 and 8 April 2015;
- (o) (i) the equity transfer agreement (“**Equity Transfer Agreement**”) dated 15 April 2015 entered into between the Company, 中綠(泉州)食品開發有限公司 (in English for identification only, Zhonglu (Quanzhou) Green Foods Developing Co., Ltd.), 中綠之源(廈門)貿易有限公司 (in English for identification only, China Green Resources (Xiamen) Sales Co., Ltd., “**Xiamen Company**”), each of which an indirect wholly-owned subsidiary of the Company, and 可口可樂飲料(上海)有限公司 (in English for identification only, Coca-Cola Beverages (Shanghai) Company Limited) (“**CCBSL**”), pursuant to which CCBSL has conditionally agreed to acquire, and the Xiamen Company has conditionally agreed to sell the entire equity interest in 廈門粗糧王飲品科技有限公司 (in English for identification

only, Xiamen Culiangwang Beverage Technology Co., Ltd., “**Target Company**”), a limited liability company incorporated in the PRC and wholly-owned by the Xiamen Company, at a consideration on the agreed enterprise value of US\$400.5 million (subject to adjustments); and (ii) the restructuring agreement dated 15 April 2015 entered into between, among other parties, the parties to the Equity Transfer Agreement and the Target Company, pursuant to which the parties thereunder envisaged to carry out a series of restructuring steps intended to consolidate the business of the manufacturing, marketing and sale of beverage products (but excluding porridge or congee and beverage products in powder form) as carried on by certain members of the Group under the Target Company, further details of each of which are disclosed in the announcement of the Company dated 17 April 2015; and

(p) the Underwriting Agreement.

9. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor his close associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

10. EXPERT AND CONSENT

The following is the qualifications of the expert whose statements have been included in this prospectus:

Name	Qualification
HLB Hodgson Impey Cheng Limited	Certified Public Accountants

HLB Hodgson Impey Cheng Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its letters or opinions or reports or references to its name in the form and context in which it appears.

As at the Latest Practicable Date, HLB Hodgson Impey Cheng Limited had not had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, HLB Hodgson Impey Cheng Limited had not had any direct or indirect interests in any assets which have been, since 30 April 2014 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER

Registered office	Clarendon House 2 Church Street Hamilton, HM11 Bermuda
Principal place of business in Hong Kong	19/F, China Hong Kong Tower 8 Hennessy Road Wan Chai Hong Kong
Underwriters	SBI China Capital Financial Services Limited Unit A2, 32/F United Centre 95 Queensway Hong Kong Oriental Patron Securities Limited 27/F, Two Exchange Square 8 Connaught Place Central Hong Kong China Everbright Securities (HK) Limited 36/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Legal adviser to the Company	<i>As to Hong Kong laws</i> Leung & Lau Units 7208-10, 72/F The Center 99 Queen's Road C., Central Hong Kong
Auditor	HLB Hodgson Impey Cheng Limited Certified Public Accountants 31/F, Gloucester Tower The Landmark 11 Pedder Street, Central Hong Kong
Principal bankers	Standard Chartered Bank Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong

Principal share registrar and transfer office	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda
Hong Kong branch share registrar and transfer office	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East, Wanchai Hong Kong
Authorised representatives	Mr. Sun Shao Feng No. 1, Linhou Bei Li Huli District, Xiamen City Fujian Province PRC Mr. Pang Wing Hong Flat C, 41/F, Tower 6 Caribbean Coast, Tung Chung Hong Kong
Company secretary	Mr. Pang Wing Hong, FCCA, HKICPA

12. DIRECTORS AND SENIOR MANAGEMENT PROFILE

Particulars of the Directors and senior management of the Company:

Name	Correspondence address
Executive Directors	
Mr. Sun Shao Feng (<i>Chairman and Chief Executive Officer</i>)	19/F, China Hong Kong Tower 8 Hennessy Road Wan Chai Hong Kong
Mr. Chen Changgai	19/F, China Hong Kong Tower 8 Hennessy Road Wan Chai Hong Kong

Independent Non-Executive Directors

Mr. Wei Xiongwen
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Mr. Hu Ji Rong
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Mr. Zeng Shaoxiao
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Senior management

Mr. Pang Wing Hong
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Mr. Chen Qian
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Mr. Lin Bing Wen
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Ms. Chen Bing Ling
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Mr. Chen Wen Zhong
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Mr. Zhang Zhi Qin
19/F, China Hong Kong Tower
8 Hennessy Road
Wan Chai
Hong Kong

Executive Directors*(1) Mr. Sun Shao Feng*

Mr. Sun Shao Feng (“**Mr. Sun**”), aged 49, is the Chairman, Chief Executive Officer and founder of the Group since its establishment. He is also an authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules and director of several subsidiaries of the Company. Mr. Sun is mainly responsible for the overall management, business development, strategic planning and sales and marketing functions of the Group. He graduated in July 2002 from Correspondence College of the Central School of the Communist Party of China (中共中央黨校函授學院) majoring in Economics and Management. He has many years of management experience in the agricultural industry. Prior to joining the Group in May 1998, he had worked for the government office of Fuzhou City (福州市委). He is also a committee member of the Chinese People’s Political Consultative Conference of the Fujian Province Quanzhou City (中國人民政治協商會議泉州市委員會) and the vice-president of the Hui An County Association of Industry and Commerce (惠安縣工商業聯合會). Mr. Sun’s accomplishment is widely recognized by the PRC government. In 2000, he was accredited with the top 10 young entrepreneurs as well as the Model Labour of Quanzhou City. In 2001, he was nominated by the Central Office of the Communist Youth Group (共青團中央辦公廳) as one of the National Villages Young Entrepreneurial Leaders (全國農村青年創業致富帶頭人). In 2009, he was honorably awarded the “2009 Top 10 Outstanding Chinese Agricultural Economics Industry Entrepreneurs” (“2009 中國農經產業十大優秀企業家”) during the “Third Session China Agricultural Economics Industry Development Forum” (“第三屆中國農經產業發展論壇”) (“**Forum**”) and the “2009 China Agricultural Economics Industry Elite Ceremony” (“二零零九中國農經產業傑出人物頒獎典禮”) which are held jointly by the China Agricultural Magazine of the Agriculture Ministry (農業部中國農村雜誌社) and the China Academy of Management Science, and he was also appointed as an executive of the Forum.

As at the Latest Practicable Date, Mr. Sun was interested in 610,911,000 Shares beneficially owned by Capital Mate and the 1,221,822,000 Committed Shares. Capital Mate is wholly and beneficially owned by Mr. Sun.

Save as disclosed above, as at the Latest Practicable Date, Mr. Sun did not (i) hold any directorships in other listed company in the last three years; (ii) have any other major appointments and professional qualifications; (iii) hold any other position with the Company or other members of the Group; and (iv) have any relationship with any other Directors, senior management, substantial or controlling Shareholders.

(2) Mr. Chen Changgai

Mr. Chen Changgai (“**Mr. Chen**”), aged 35, was appointed as an executive Director on 25 November 2013. Mr. Chen is also the general manager of finance and the executive vice president of the Group, mainly responsible for managing the Group’s finance. Mr. Chen graduated from Wuhan University of Technology with a bachelor’s degree in accounting. Mr. Chen joined the Group in 2001 and held various positions including accountant, finance manager, deputy chief financial officer and assistant to the president of the Group, mainly responsible for managing the

Group's accounts and tax filings. Mr. Chen has managing and finance experiences for over 14 years. He is also a member of each of the remuneration committee and the nomination committee of the Company.

As at the Latest Practicable Date, Mr. Chen was not interested in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chen did not (i) hold any directorships in other listed company in the last three years; (ii) have any other major appointments and professional qualifications; (iii) hold any other position with the Company or other members of the Group; and (iv) have any relationship with any other Directors, senior management, substantial or controlling Shareholders.

Independent non-executive Directors

(1) Mr. Wei Xiongwen

Mr. Wei Xiongwen ("**Mr. Wei**"), aged 47, was appointed as an independent non-executive Director on 26 August 2013. Mr. Wei graduated from the law faculty of Peking University (now known as 'Peking University Law School') in 1988 and was awarded a bachelor's degree in laws. In 2005, he was awarded a degree of executive master of business administration by The City University London, Sir John CASS Business School. In 1989, Mr. Wei was awarded the qualification of China Lawyer practising in corporate finance, financial and capital markets, project finance, mergers and acquisitions, foreign direct investment. He is currently a partner and the head of lawyers of 上海創遠律師事務所 (Shanghai Chong Yuan Law Firm). He is also a member of each of the audit committee, the remuneration committee, the nomination committee and the corporate governance committee of the Company.

As at the Latest Practicable Date, Mr. Wei was not interested in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wei did not (i) hold any directorships in other listed company in the last three years; (ii) have any other major appointments and professional qualifications; (iii) hold any other position with the Company or other members of the Group; and (iv) have any relationship with any other Directors, senior management, substantial or controlling Shareholders.

(2) Mr. Hu Ji Rong

Mr. Hu Ji Rong ("**Mr. Hu**"), aged 58, was appointed as an independent non-executive Director on 6 September 2002. Mr. Hu graduated from Jiangxi University of Finance and Economics (江西財經學院) in 1983 and obtained a master degree in Business Administration from the Open University of Hong Kong in 2000. He holds a Certified Public Accountant license in the PRC. Mr. Hu has been the deputy head of Accounting Department in the College of Management of Fuzhou University (福州大學). Mr. Hu has taken up a number of public service positions including a specially contracted auditor (特約審計員) of the Fujian Provincial Audit Office (福建省審

計廳) and a committee member of the Professional Conduct Committee of Fujian Institute of Certified Public Accountants (福建省註冊會計師協會). Mr. Hu has published numerous articles and research reports in the PRC. He is also the chairman of each of the audit committee, the remuneration committee and the corporate governance committee of the Company, and a member of the nomination committee of the Company.

As at the Latest Practicable Date, Mr. Hu was not interested in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Hu did not (i) hold any directorships in other listed company in the last three years; (ii) have any other major appointments and professional qualifications; (iii) hold any other position with the Company or other members of the Group; and (iv) have any relationship with any other Directors, senior management, substantial or controlling Shareholders.

(3) *Mr. Zeng Shaoxiao*

Mr. Zeng Shaoxiao (“**Mr. Zeng**”), aged 34, was appointed as an independent non-executive Director on 18 August 2014. Mr. Zeng graduated and received his master and doctorate degree in Fujian Agriculture and Forestry University, major in storage and processing of agricultural products. Currently, Mr. Zeng is a member of professors committee of College of Food Science and the dean of Nutrition and Food Safety department of Fujian Agriculture and Forestry University, a director of Fujian Institute of Food Science and Technology, executive director of Fujian Food Additive Association, peer review expert of National Natural Science Foundation of China. Mr. Zeng has been engaged in researches in fruit and vegetable processing, starch chemistry and function, evaluation of food safety and function, and he has been a visiting scholar of The University of Georgia for one year. In recent years, he is the major cooperator in one research program supported by Natural Science Foundation of China and two provincial research projects, and participates in several national and provincial research projects. He is also the chairman of the nomination committee, and a member of each of the audit committee, the remuneration committee and the corporate governance committee of the Company.

As at the Latest Practicable Date, Mr. Zeng was not interested in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Zeng did not (i) hold any directorships in other listed company in the last three years; (ii) have any other major appointments and professional qualifications; (iii) hold any other position with the Company or other members of the Group; and (iv) have any relationship with any other Directors, senior management, substantial or controlling Shareholders.

Senior management of the Group*(1) Mr. Pang Wing Hong*

Mr. Pang Wing Hong (“**Mr. Pang**”), aged 44, is the chief financial officer, company secretary and an authorised representative of the Company pursuant to Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Rule 3.05 of the Listing Rules. Mr. Pang holds a Bachelor of Business Administration degree, majoring in professional accountancy, from The Chinese University of Hong Kong and a Master of Business Administration degree from The University of Adelaide, Australia. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Pang has over 20 years’ solid experience in financial management, accounting, auditing and corporate finance with strong comprehension of the China and international markets.

(2) Mr. Chen Qian

Mr. Chen Qian (“**Mr. Q Chen**”), aged 44, is the vice president of marketing of the Group. Mr. Q Chen graduated from Fujian Province Ningde City Normal School (福建省寧德市師範高等專科學校) in 1992 and obtained a master degree from Renmin University of China (中國人民大學) in 2004. Prior to joining the Group, he served in various positions at a number of companies, including Officer, Section Chief, Head of Sub-division, Vice General Manager and Acting General Manager, and has over 10 years of working experience in sales management.

(3) Mr. Lin Bing Wen

Mr. Lin Bing Wen (“**Mr. Lin**”), aged 46, is the deputy general manager of cultivation division. He joined the Group in January 2001. Prior to joining the Group, Mr. Lin was the person-in-charge of cultivation bases for 5 years. He obtained his qualification as an assistant engineer from Quanzhou City personnel Department (泉州市人事局) in January 2002.

(4) Ms. Chen Bing Ling

Ms. Chen Bing Ling (“**Ms. BL Chen**”), aged 40, is the deputy general manager of cultivation division. Ms. BL Chen has been a member of the Group since August 1998 and had been mainly responsible for business development, sales and marketing activities of the Group. She received a diploma in Business Management from Xiamen University (廈門大學) in 1996.

(5) Mr. Chen Wen Zhong

Mr. Chen Wen Zhong (“**Mr. WZ Chen**”), aged 52, is the general manager of procurement center and a senior agriculturist. Since he started his career in 1985, he has been engaged in management of agricultural cultivation and development. He had been the sourcing director (principally in processing, plantation, sales and production) in the head office of Shanghai Doule (PRC) of the US DOLE Food Company. Mr. WZ Chen has strong experience in the on-site management of agricultural cultivation and processing.

(6) *Mr. Zhang Zhi Qin*

Mr. Zhang Zhi Qin (“**Mr. ZQ Zhang**”), aged 50, is the general manager of food research and development center of the Group. He is a senior engineer and a bachelor of Food Engineering. He was a Committee Member of the Assessment Committee of Senior Positions of High Technology Officers of Xiamen and Committee Member of Technological Professional Committee of Fujian Food Industry Association. He has over 10 years of working experience in planning of food product development projects and in design, selection and implementation of production procedures. He is well versed in engineering technology and equipment engineering. He has issued a number of publications on his research and findings, including “Processing Technology of Fruits, Vegetables and Sugar Products”, “Research and Production of Artificial Longan” and “Research and Production of Oolong Tea”.

13. GENERAL

In the event of inconsistency, the English text of this prospectus shall prevail over the Chinese text.

14. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “Expert and consent” in this appendix have been delivered to the Registrar of Companies of Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at Units 7208-10, 72th Floor, The Center, 99 Queen’s Road C., Central, Hong Kong from the date of this prospectus up to and including 29 June 2015:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the annual reports of the Company for the two financial years ended 30 April 2014;
- (c) the accountants’ report from HLB Hodgson Impey Cheng Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;

- (d) the written consent as referred to in the paragraph headed “Expert and consent” in this appendix;
- (e) the material contracts referred to under the paragraph headed “Material contracts” in this appendix;
- (f) the circulars of the Company dated 30 September 2014 and 15 May 2015; and
- (g) this prospectus.