
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 consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Culiangwang Beverages Holdings Limited (“Company”), you should at once hand the Prospectus Documents 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, the Stock Exchange and HKSCC 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\$0.25 PER OFFER SHARE ON THE BASIS OF 1 OFFER SHARE FOR EVERY 2 EXISTING SHARES HELD ON THE RECORD DATE

Underwriter



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 Underwriter the right to terminate the obligations of the Underwriter 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 Underwriter 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 Friday, 12 September 2014. 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 Wednesday, 20 August 2014 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 Monday, 15 September 2014), 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.

28 August 2014

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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 RMB515,280,000 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 RMB394,923,474 issued by the Company
“acting in concert”	has the meaning ascribed to it by the Takeovers Code
“Application Form(s)”	the form of application in respect of the Open Offer
“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
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“CM Undertaking”	the undertaking in relation to the acceptance of the Committed Shares signed by Capital Mate and delivered to the Company as one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement pursuant to the Underwriting Agreement

DEFINITIONS

“Committed Shares”	being 203,637,000 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 (formerly known as China Green (Holdings) Limited), 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”	shares of the Company 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
“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 Overseas Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“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
“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”	29 July 2014, being the date of the Underwriting Agreement
“Last Practicable Date”	25 August 2014, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Friday, 12 September 2014 or such later time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of the Offer Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 15 September 2014 or such later time to be agreed between the Company and the Underwriter, being the latest time for the Underwriter to terminate the Underwriting Agreement

DEFINITIONS

“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)”	530,420,270 new Shares to be issued by the Company pursuant to the Open Offer
“Open Offer”	the 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 to the Qualifying Shareholders on the terms set out in the Prospectus Documents
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company 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”	28 August 2014 or such later date as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents
“PS Consent and Undertaking”	the consent and undertaking signed and delivered to the Company by Partner Shanghai as one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares pursuant to the Underwriting Agreement

DEFINITIONS

“Qualifying Shareholders”	the Shareholders, other than the Excluded Shareholders, whose names appeared on the register of members of the Company on the Record Date, and “Qualifying Shareholder” shall be construed accordingly
“Record Date”	Wednesday, 27 August 2014
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Share Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.25 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	SBI China Capital Financial Services Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 29 July 2014 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	the Offer Shares (other than the Committed Shares), being 326,783,270 Offer Shares, underwritten by the Underwriter 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 of and payment for Offer Shares	4:00 p.m. on Friday, 12 September 2014
Expected time for the Open Offer to become unconditional	4:00 p.m. on Monday, 15 September 2014
Announcement of results of the Open Offer to be published on the Stock Exchange website	Friday, 19 September 2014
Despatch of certificates for the Offer Shares.	Monday, 22 September 2014
Despatch of refund cheques if the Open Offer is terminated	Monday, 22 September 2014
Dealings in the Offer Shares expected to commence.	Tuesday, 23 September 2014
Effective date of change of board lot size from. 3,000 Shares to 6,000 Shares	Monday, 29 September 2014
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares	Monday, 29 September 2014
The last day for the designated broker to provide matching services for odd lots of the Shares	Tuesday, 21 October 2014

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES

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 Friday, 12 September 2014, being the date of the Latest Time of 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.

EXPECTED TIMETABLE

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 Underwriter. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events.

The Underwriter may terminate the Underwriting Agreement at or before the Latest Time for Termination if prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, 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 Underwriter 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 Underwriter 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 in connection with the Open Offer 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 for the purpose of this clause includes 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 Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (3) this prospectus when published contain 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 hereof been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is 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 its assured entitlements of Offer Shares under the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriter is also entitled by 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 Underwriter; 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 Underwriter.

If the Underwriting Agreement is terminated by the Underwriter at 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 Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise and the Open Offer will not proceed.

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

Independent Non-executive Directors:

Mr. Wei Xiongwen

Mr. Hu Ji Rong

Mr. Zeng Shaoxiao

Registered office:

Clarendon House

2 Church Street

Hamilton, HM11

Bermuda

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

Rooms 4120-24, 41/F

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

28 August 2014

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

Dear Sir or Madam,

**OPEN OFFER
AT HK\$0.25 PER OFFER SHARE
ON THE BASIS OF 1 OFFER SHARE FOR EVERY 2 EXISTING
SHARES HELD ON THE RECORD DATE**

OPEN OFFER

Reference is made to the announcement of the Company dated 29 July 2014 in which the Company announced the Open Offer, whereby the Company proposed to raise not less than approximately HK\$132.6 million before expenses by issuing not less than 530,420,270 Offer Shares and not more than approximately HK\$200.7 million before expenses by issuing not more than 802,736,922 Offer Shares 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 the Record Date.

LETTER FROM THE BOARD

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

OPEN OFFER

Issue statistics

Basis of the Open Offer	:	One Offer Share for every two existing Shares held on the Record Date and payable in full on acceptance
Subscription Price	:	HK\$0.25 per Offer Share
Number of Shares in issue as at the Record Date	:	1,060,840,540 Shares
Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Record Date and at the Latest Practicable Date	:	Under the Bonds, (i) up to 499,302,326 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\$1.29 per Conversion Share (subject to adjustments); and (ii) up to 45,330,978 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\$10.89 per Conversion Share (subject to adjustments).

LETTER FROM THE BOARD

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, at any time from the date of the PS Consent and Undertaking up to and including the Record Date, to 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 paragraphs headed “Underwriting Agreement – PS Consent and Undertaking” in this Letter from the Board below for further details.

Number of Offer Shares	:	530,420,270 Offer Shares. The aggregate nominal value of such Offer Shares will be HK\$53,042,027.0. The net subscription price for each Offer Share is approximately HK\$0.242.
Number of Shares in issue upon completion of the Open Offer	:	1,591,260,810 Shares (without taking into account Shares that may be allotted and issued during interim period (other than the Offer Shares))
Amount raised before expenses	:	Approximately HK\$132.6 million

Based on 1,060,840,540 Shares in issue as at the Record Date and up to the Latest Practicable Date, the aggregate number of 530,420,270 Offer Shares proposed to be allotted pursuant to the Open Offer represent: (i) 50% of the issued share capital of the Company as at the the Record Date and up to Latest Practicable Date; and (ii) approximately 33.33% 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 Latest Practicable Date up to completion of the Open Offer).

As at the Latest Practicable Date, save as disclosed in 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 has 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.

Save for Capital Mate, a company beneficially owning 407,274,000 Shares (representing approximately 38.39% of the issued share capital of the Company as at the Latest Practicable Date) and 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, who has irrevocably undertaken to the Company to accept and pay for the Committed Shares (being all of its assured entitlement under the Open Offer), as at the Latest Practicable Date, the Board has not received any information from any substantial Shareholders of their intention to take up the Offer Shares under the Open Offer.

LETTER FROM THE BOARD

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 register of members of the Company as at the Record Date, there was one Overseas Shareholder situated in Macau.

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.

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 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\$0.25 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 49.0% to the closing price of HK\$0.490 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 47.5% to the average closing price of HK\$0.476 per Share quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (3) a discount of approximately 94.1% to the audited consolidated net asset value per Share of approximately HK\$4.252 as at 30 April 2014 (based on the audited consolidated net asset value of the Group over the number of Shares in issue as at 30 April 2014); and
- (4) a discount of approximately 38.3% to the closing price of HK\$0.405 per Share as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Subscription Price also represents a discount of approximately 39.0% to the theoretical entitlement price of approximately HK\$0.410 per Share based on the closing price of HK\$0.490 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market conditions and the recent trading price of the Shares.

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 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 their allotment and issue.

Fractions of the Offer Shares

Entitlement to the Open Offer will be rounded down to the nearest whole number. No fractional entitlements to the Offer Shares will be issued to the Qualifying Shareholders. All such fractional entitlements will be aggregated and taken up by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

Certificates of the Offer Shares

Subject to the fulfilment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Monday, 22 September 2014 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. The Offer Shares are expected to have a board lot size of 3,000 which will be changed to a board lot size of 6,000 with effect from Monday, 29 September 2014. Please also refer to the section headed "Change in board lot size" of this Letter from the Board in this prospectus.

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 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 or 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.

LETTER FROM THE BOARD

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

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. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

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.

Procedure 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/their rights to subscribe for all the Offer Shares provisionally allotted to him/her/them, he/she/they 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 Friday, 12 September 2014 or such later time and/or date as may be agreed between the Company and the Underwriter.

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, have been lodged with the Share Registrar by not later than 4:00 p.m. on Friday, 12 September 2014, that assured allotments 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 allotments. 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 allotments 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.

LETTER FROM THE BOARD

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 as soon as practicable thereafter.

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.

UNDERWRITING AGREEMENT

Date : 29 July 2014

Parties : (1) the Company; and
(2) SBI China Capital Financial Services Limited (as the Underwriter).

The Underwriter is 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. As at the date of the Underwriting Agreement and the Latest Practicable Date, the Underwriter did not hold any Shares. Each of the Underwriter and its 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 326,783,270 Offer Shares

LETTER FROM THE BOARD

- Commission and expenses : The Company shall pay:
- (a) to the Underwriter an underwriting commission of HK\$3,267,832.70; and
 - (b) to the Underwriter reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer.

The commission payable to the Underwriter was determined after arm's length negotiations between the Company and the Underwriter. The Directors consider that such amount is on normal commercial terms and is comparable with market rate.

Under the Underwriting Agreement, if the conditions of the Open Offer are fulfilled at or before the Latest Time for Acceptance (or such later time and/or date as the Company and the Underwriter 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 6:00 p.m. on the second Business Day after the Latest Time for Acceptance, notify or procure the branch share registrar and transfer office of the Company in Hong Kong on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up. Pursuant to the Underwriting Agreement, when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares:

- (1) the 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) the Underwriter shall ensure that none of the subscribers of the Untaken Shares will become a substantial Shareholder (as defined in the Listing Rules) 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;
- (3) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect subunderwriters), shall be an Independent Third Party not acting in concert with and not connected with the Directors, chief executive of the Company or substantial Shareholders (within the meaning of the Listing Rules) 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 the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the 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 the Listing Rules.

LETTER FROM THE BOARD

CM Undertaking

Capital Mate is a company beneficially owning 407,274,000 Shares (as to approximately 38.39% of the issued share capital of the Company as at the Latest Practicable Date) and 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. As one of the conditions precedent to the obligations of the Underwriter 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 should 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 407,274,000 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 and thereupon constitutes an adjustment event under the Master Framework and Subscription Agreement and would require the consent of Partner Shanghai, the investor as named in Master Framework and Subscription Agreement. In this regard, as one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, the Company has obtained the PS Consent and Undertaking pursuant to which Partner Shanghai had:

- (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, notwithstanding that the Open Offer would constitute an adjustment event under the Master Framework and Subscription Agreement; and
- (2) irrevocably confirmed, undertaken and warranted to the Company that Partner Shanghai would 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.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. For details, please refer to the section headed "Termination of the Underwriting Agreement" in this prospectus.

LETTER FROM THE BOARD

Conditions of the Open Offer

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

- (1) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked 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 listings and permission on or before the Latest Time for Termination;
- (2) 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;
- (3) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;
- (4) delivery to the Underwriter on or before the date of the Underwriting Agreement (i) the CM Undertaking duly executed by Capital Mate and (ii) the PS Consent and Undertaking duly executed by Partner Shanghai;
- (5) compliance with and performance by (i) Capital Mate of the CM Undertaking; and (ii) Partner Shanghai of the PS Consent and Undertaking; and
- (6) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time of Termination.

Save for the condition precedent as set out in sub-paragraph (4) above which is capable of being waived by the Underwriter, none of the conditions precedent as set out above are capable of being waived by any party to the Underwriting Agreement.

If the conditions precedent as set out above are not satisfied by the Latest Time for Acceptance (or such later time and/or date as the Underwriter 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 condition precedent (4) above, none of the conditions precedent has been satisfied.

LETTER FROM THE BOARD

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 in full		(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)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Capital Mate	407,274,000	38.39	610,911,000	38.39	610,911,000	38.39
<i>Public Shareholders:</i>						
Underwriter or subscribers procured by it (Note)	–	–	–	–	326,783,270	20.54
Bondholders and Other public Shareholders	653,566,540	61.61	980,349,810	61.61	653,566,540	41.07
Total:	<u>1,060,840,540</u>	<u>100.00</u>	<u>1,591,260,810</u>	<u>100.00</u>	<u>1,591,260,810</u>	<u>100.00</u>

- Note:*
- Pursuant to the Underwriting Agreement, the Underwriter has undertaken to the Company that when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares: (1) the 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) the Underwriter shall ensure that none of the subscribers of the Untaken Shares will become a substantial Shareholder (as defined in the Listing Rules) 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; (3) the 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 an Independent Third Party not acting in concert with and not connected with the Directors, chief executive of the Company or substantial Shareholders (within the meaning of the Listing Rules) or any of its subsidiaries and their respective close associates; and (4) the Underwriter has agreed 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 the Listing Rules 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 the Underwriter's performance of its obligations pursuant to the Underwriting Agreement.
 - As disclosed in the announcement of the Company dated 13 August 2014, the Company and Jun Yang Solar Power Investments Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange, entered into a subscription agreement pursuant to which Jun Yang Solar Power Investments Limited 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 subscription share. As such subscription is conditional upon completion of the Open Offer, the undertakings (1), (2) and (3) as set out in Note 1 above do not take into account such subscription.

LETTER FROM THE BOARD

Shareholders and public investors should note that the above shareholding changes 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 the results of acceptance of the Open Offer. Further announcements 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 and provide the Company with the financial flexibility necessary for the Group's future development and investment purposes as and when suitable opportunities arise. As at the Latest Practicable Date, save for the proposed investment in the southwest product base of China Green Foods Group Co., Ltd. (中緣食品集團有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company, as disclosed in the announcement of the Company dated 10 August 2014, the Company has not identified any such business development and/or investment opportunities. 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. 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\$132.6 million before expenses from the Open Offer. The Company intends to use the net proceeds from the Open Offer, being approximately HK\$128.6 million as to (i) approximately HK\$47 million for the payment of interests of the Bonds which will be due in October 2014 in the amount of approximately RMB17.9 million (equivalent to approximately HK\$22.4 million) for the 7.00 per cent. Bonds and approximately RMB19.6 million (equivalent to approximately HK\$24.6 million) for the 10.00 per cent. Bonds; and (ii) the remaining of approximately HK\$81.6 million will be used 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. As at the Latest Practicable Date, save for the Bonds, the Company has certain outstanding short-term loans in the aggregate amount of approximately HK\$87.2 million at an interest rate of 10% per annum which will fall due in late September 2014.

The estimated expenses in relation to the Open Offer, including underwriting commission, financial, legal and other professional expenses, of approximately HK\$4 million, will be borne by the Company.

LETTER FROM THE BOARD

CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Shares are traded on the Stock Exchange in board lot of 3,000 Shares. Based on the closing price of HK\$0.405 per Share (equivalent to a theoretical ex-right price of approximately HK\$0.353 per Share) as at the Latest Practicable Date, the value of each board lot of 3,000 Shares is estimated to be approximately HK\$1,060.00 upon the allotment and issue of the Offer Shares. It is proposed that after the allotment and issue of the Offer Shares, the board lot size for trading in the Shares on the Stock Exchange shall be changed from 3,000 to 6,000 so that the estimated market value per board lot of the Shares will be approximately HK\$2,120.00 (based on the theoretical ex-right price of approximately HK\$0.353 per Share as at the Latest Practicable Date). The Board considers that the change of board lot size will increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company.

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

Apart from the fund raising activity 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
21 April 2013, 23 April 2013, 1 May 2013, 19 July 2013 and 5 November 2013	Issue of the Bonds	There was no proceeds from the issue of the Bonds as the Bonds were issued solely as consideration of the cancellation of the amount of principal, premium or interest payable in respect of the RMB1,350,000,000 in aggregate principal amount of 3.00 per cent convertible bonds issued by the Company on 12 April 2010 and matured on 12 April 2013	Not applicable	Not applicable

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
14 March 2014 and 28 March 2014	Placing and top-up subscription of 176,805,000 new Shares at HK\$0.60 per Share	HK\$101.5 million	To reduce indebtedness of the Group and as general working capital	Used as intended, as to approximately (i) HK\$3.5 million used as general working capital; and (ii) HK\$98 million used to pay off part of the following indebtedness of the Group: (a) the interest of the 7.00 per cent. Bonds in the aggregate amount of approximately RMB15.13 million (equivalent to approximately HK\$18.76 million) accumulated from 13 November 2013 to 13 April 2014; (b) the interest of the 10.00 per cent. Bonds in the aggregate amount of approximately RMB21.61 million (equivalent to approximately HK\$26.80 million) accumulated from 13 November 2013 to 13 April 2014; and (c) the remaining balance on part of the mandatory redemption on the 10.00 per cent. Bonds made by the Company in accordance with the terms and conditions of the 10.00 per cent. Bonds as disclosed in the announcement of the Company dated 14 April 2014
13 August 2014	Proposed subscription of 395,328,000 new Shares at HK\$0.25 per Share under specific mandate	HK\$98.0 million	As to (i) approximately HK\$30 million for reduction of the Group's debt level; (ii) approximately HK\$20 million for general working capital of the Group; and (iii) approximately HK\$48 million for its own development of certain new business projects (including but not limited to photovoltaic agriculture in Baicheng City of Jilin Province) and in case such new business projects do not materialise, such proceeds will be used for further development of the branded beverage products business of the Group	Completion has not yet taken place

LETTER FROM THE BOARD

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 has not yet taken place.

Reference is also made to the announcement of the Company dated 14 March 2014 in which the Company announced, amongst other matters, the proposed placing of up to 265,210,000 Shares under specific mandate at a price of HK\$0.60 per Share. As announced by the Company on 28 April 2014, such placing was terminated by the Company and the placing agent in light of the then market conditions.

IMPLICATIONS UNDER THE LISTING RULES

As the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive of the Company or substantial Shareholder (or a close associate of any of them), pursuant to Rules 7.24(5) and 7.26A of the Listing Rules, the Open Offer is not subject to Shareholders' approval under the Listing Rules.

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 SHARES

The Open Offer is conditional, among other things, upon the obligations of the Underwriter under the Underwriting Agreement having become unconditional and the Underwriter 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 caution when dealing in 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 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 Monday, 15 September 2014), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing 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 at <http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0830/LTN20120830335.pdf>), the annual report of the Company for the year ended 30 April 2013 (pages 34 to 117 at <http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0829/LTN20130829497.pdf>) and the annual results announcement of the Company for the year ended 30 April 2014 (pages 1 to 22 at <http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0725/LTN20140725582.pdf>) respectively.

The said annual reports and the annual results announcement of the Company are available on the Company's website at www.chinaclw.com.hk/html/ir_reports.php and the website of the Stock Exchange at www.hkexnews.hk.

2. INDEBTEDNESS

As at the close of business on 31 July 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus:

Borrowings

As at close of business on 31 July 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had outstanding bank borrowings of approximately RMB875,730,000. These borrowings comprised (i) secured bank borrowings of approximately RMB806,373,000; and unsecured interest-bearing loans of approximately RMB69,357,000.

Collateral security

The aforesaid secured bank borrowings of approximately RMB806,373,000 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 RMB321,467,000, RMB121,396,000 and RMB388,796,000 respectively.

Convertible bonds

As at close of business on 31 July 2014, 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 on 2016 and US\$ settled 10.00% due on 2016 with an aggregate amount of RMB515,280,000 and RMB394,923,474 respectively.

For the aforesaid convertible bonds, all the shares in China Green Food Group Limited, a subsidiary of the Company incorporated in Hong Kong, and 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 are 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. For further details of the convertible bonds due in 2016 and the said share charges, please refer to the overseas regulatory announcement of the Company dated 14 November 2013.

Contingent liabilities

As at close of business on 31 July 2014, 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, at the close of business on 31 July 2014, 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 31 July 2014.

Save as disclosed above, the Directors were not aware of any material changes in the indebtedness and contingent liabilities of the Group after 31 July 2014 and up to the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that in the absence of unforeseen circumstances, 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 annual report of the Company for the year ended 30 April 2014 (“**2014 Annual Report**”), the Group recorded a consolidated turnover of approximately RMB2,093.7 million, loss before taxation of approximately RMB392.4 million, and loss attributable to owners of the Company of approximately RMB474.7 million for the year ended 30 April 2014. The Group also recorded consolidated total assets of approximately RMB5,545.5 million and consolidated total liabilities of approximately RMB1,963.7 million as at 30 April 2014.

As disclosed in the 2014 Annual Report, the Group’s both fresh produce and processed products segment and branded food products segment recorded a drop in revenue for the year ended 30 April 2014. It is not expected that there would be recovery of the fresh produce and processed products segment in the foreseeable future in light of the strong RMB exchange rate. The branded food products segment of the Company is still in its early stage of development.

The Group’s branded beverage products segment continued to grow for the year ended 30 April 2014 and it is expected that the Group will continue to expand its distribution network of the branded beverage products in the domestic market. Currently, the Group has one plant for producing branded beverage products located in Quanzhou City of Fujian Province with an annual capacity of approximately 120,000 tons in paper packs and 30,000 tons in metallic cans. Also, the Group is building a new plant in Tianmen City of Hubei Province of which its trial production is expected to commence in the fourth quarter of 2014. The Group will continue to expand its processing capacity to tailor for the expected growth in the branded beverage products segment.

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

- (1) As disclosed in the announcement of the Company dated 2 April 2014, the Board proposed the change of the English name of the Company from “China Green (Holdings) Limited” to “China Culiangwang Beverages Holdings Limited” and the adoption of “中國粗糧王飲品控股有限公司” as the secondary name of the Company in Chinese (“**Change of Company Name**”). The special resolution regarding the Change of Company Name was duly passed by the Shareholders at the special general meeting of the Company held on 30 June 2014. Both the certificate of incorporation on change of name and the certificate of secondary name of the Company as regards the Change of Company Name were issued by the Registrar of Companies in Bermuda on 4 July 2014. As disclosed in the announcement of the Company dated 12 August 2014, the Change of Company Name took effect on 1 July 2014 and the new English stock short name and the new Chinese stock short name of the Company for trading of the shares of the Company on the Stock Exchange took effect on 15 August 2014.

- (2) 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.
- (3) 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 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.
- (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 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 will be allotted and issued under the specific mandate to be granted to the Directors by the Shareholders to be sought at a special general meeting of the Company to be convened.

(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

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28 August 2014

**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 compilation of 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 30 April 2014 and related notes as set out in section A of Appendix II to the prospectus issued by the Company dated 28 August 2014 (the “**Prospectus**”). The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in section B of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed open offer at HK\$0.25 per offer share on the basis of 1 offer share for every 2 listing shares held on the record date (the “**Open Offer**”) as if the Open Offer had taken place at 30 April 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 year ended 30 April 2014, on which an audit report has been published.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the 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 (“HKASE”) 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 accountant 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 Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant 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 Open Offer at 30 April 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 executor 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 transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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 of 530,420,270 Offer Shares at the Subscription Price HK\$0.25 per Offer Share on the basis of 1 Offer Share for every 2 existing Shares in issue as at the Record Date and assuming that there is no change to the issued share capital of the Company from the Record Date and up to completion of the Open Offer and on the consolidated net tangible assets of the Group as if the Open Offer had been completed on 30 April 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 audited consolidated net tangible assets attributable to equity shareholders of the Company as at 30 April 2014 and adjusted to reflect the effect of the Open Offer:

				Audited Consolidated net tangible assets of the Group per Share as at Latest Practical Date prior to the completion of the Open Offer	Unaudited consolidated net tangible assets of the Group per Share upon completion of the Open Offer
	Audited consolidated net tangible assets of the Group as at 30 April 2014 RMB'000 (Note 1)	Estimated net proceeds from the Open Offer RMB'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group RMB'000	(Note 3)	(Note 4)
Based on the issue of				RMB3.376	RMB2.315
530,420,270 Offer Shares	<u>3,581,841</u>	<u>101,919</u>	<u>3,683,760</u>	<u>per share</u>	<u>per share</u>

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

- (1) The amount of audited consolidated net tangible assets of the Group as at 30 April 2014 is based on the net tangible assets of the Group amounting to approximately RMB3,581,841,000 extracted from the published annual report of the Group for the year ended 30 April 2014.
- (2) The estimated net proceeds from the Open Offer are based on issuing 530,420,270 Offer Shares at Subscription Price HK\$0.25 per Offer Share after deducting the estimated underwriting commission and other related expenses of in aggregate of approximately RMB3,369,000 to be incurred by the Company. The estimate net proceeds from the Open Offer are converted into Renminbi at an exchange rate of HK\$1 to RMB0.794, the prevailing exchange rate on 30 April 2014.
- (3) The number of Shares used for the calculation of this amount was the number of Shares in issue as at the 30 April 2014 of 1,060,840,540 Shares.
- (4) The number of Shares used for the calculation of this amount is 1,591,260,810 representing 1,060,840,540 Shares in issue as at the 30 April 2014 and 530,420,270 Offer Shares issued upon completion of the Open Offer.
- (5) No adjustment other than those described above has been made to reflect any trading results or other transactions of the Group subsequent to 30 April 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:

(i) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>3,000,000,000</u> Shares of HK\$0.1 each	<u>300,000,000</u>
<i>Issued and fully paid:</i>	
<u>1,060,840,540</u> Shares of HK\$0.1 each	<u>106,084,054</u>

(ii) Immediately following the completion of the Open Offer

<i>Authorised:</i>	<i>HK\$</i>
<u>3,000,000,000</u> Shares of HK\$0.1 each	<u>300,000,000</u>
<i>Issued and fully paid/to be issued:</i>	
1,060,840,540 Shares as at the Latest Practicable Date	106,084,054
530,420,270 Offer Shares to be allotted and issued under the Open Offer	53,042,027
<u>1,591,260,810</u> Shares upon completion of the Open Offer	<u>159,126,081</u>

As at the Latest Practicable Date, the Company had Bonds which comprised of (i) 7.00 per cent. Bonds of the aggregate principal amount of RMB515,280,000, carrying rights which entitled Bondholders to convert up to 499,302,326 Conversion Shares at the adjusted conversion price of HK\$1.29 per Conversion Share (subject to adjustments); and (ii) 10.00 per cent. Bonds of the aggregate principal amount of RMB394,923,474, carrying rights which entitled Bondholders to convert up to 45,330,978 Conversion Shares at the adjusted conversion price of HK\$10.89 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 will undertake 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 for further details.

As disclosed in the announcement of the Company dated 13 August 2014, the Company and Jun Yang 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 at the subscription price of HK\$0.25 per Share. Such Shares will be allotted and issued under the specific mandate to be granted to the Directors by the Shareholders to be sought at a special general meeting of the Company to be convened.

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 existing Shares in issue in all respects. 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 Offer Shares.

As at the Latest Practicable Date, save that the Bonds are listed on the Singapore Exchange Securities Trading Limited and the right of Partner Shanghai to request for subscription of new Shares as contemplated under the Master Framework and Subscription Agreement, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there were 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	610,911,000 (Note 2)	38.39% (Note 1)

Notes:

- 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, 1,591,260,810.
 - These shares comprise (i) 407,274,000 Shares owned by Capital Mate as beneficial owner; and (ii) 203,637,000 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
Capital Mate	Beneficial owner	610,911,000 (L) (Note 2)	38.39% (Note 1)
GLG Partners LP	Investment Manager	56,721,792 (L) (Note 3)	5.34%
SBI China Capital Financial Services Limited	Interest in controlled corporation	599,099,922 (L) (Note 4)	56.47% (Note 4)
Probest Limited	Interest in controlled corporation	599,099,922 (L) (Note 4)	56.47% (Note 4)
Long Vehicle Capital Limited	Interest in controlled corporation	599,099,922 (L) (Note 4)	56.47% (Note 4)
Cao Guoqi	Interest in controlled corporation	599,099,922 (L) (Note 4)	56.47% (Note 4)
Zhang Xiongfeng	Interest in controlled corporation	599,099,922 (L) (Note 4)	56.47% (Note 4)
Partner Shanghai	Beneficial owner	226,553,576 (L) (Note 5)	21.36%
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 5)	21.36%
Jun Yang Solar Power Investments Limited	Beneficial owner	395,328,000 (L) (Note 6)	37.27%

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, 1,591,260,810.
 2. These shares comprise (i) 407,274,000 Shares owned by Capital Mate as beneficial owner; and (ii) 203,637,000 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 notice of disclosure of interests of GLG Partners LP filed with the Stock Exchange dated 31 March 2014.
 4. Based on the notices of disclosure of interests of SBI China Capital Financial Services Limited, Probest Limited, Long Vehicle Capital Limited, Cao Guoqi and Zhang Xiongfeng each filed with the Stock Exchange dated 4 August 2014, these interests are held by SBI China Capital Financial Services Limited which is wholly owned by SBI China Capital Securities Limited, which in turn is wholly owned by SBI China Capital Holdings Limited. SBI China Capital Holdings Limited is owned as to 50% by Probest Limited and as to 40% by Long Vehicle Capital Ltd. Probest Limited is wholly owned by Cao Guoqi and Long Vehicle Capital Ltd. is wholly owned by Zhang Xiongfeng.
 5. 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.
 6. Based on the notice of disclosure of interests of Jun Yang Solar Power Investments Limited filed with the Stock Exchange dated 15 August 2014.
 7. 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, 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 subscription agreement (“**Subscription Agreement**”) dated 21 March 2013 entered into between (i) the Company; and (ii) Partner Shanghai, pursuant to which Partner Shanghai has agreed to subscribe as principal and the Company has agreed to allot and issue 176,805,000 Shares, further details of which are set out in the announcements of the Company dated 21 March 2013 and 24 March 2013;
- (b) the deed poll dated 8 April 2013 entered into by the Company to unilaterally declare and undertake to, among other things, reduce the conversion price of each of the RMB1,350,000,000 US Dollar settled 3.00 percent convertible bonds due 2013 (“**2013 Bonds**”) to HK\$1.98, further details of which are set out in the announcement of the Company dated 8 April 2013;
- (c) the supplemental letter (“**Supplemental Letter**”) dated 17 April 2013, to amend the Subscription Agreement, entered into between (i) the Company; and (ii) Partner Shanghai, pursuant to which Partner Shanghai has agreed to increase the subscription amount to HK\$303.5 million, representing a subscription of 226,553,476 new Shares, further details of which are set out in the announcement of the Company dated 17 April 2013;
- (d) the standstill agreements entered into between (i) the Company; and (ii) holders of the 2013 Bonds (“**2013 Bondholders**”), pursuant to which the 2013 Bondholders agreed, among other things, not to exercise or direct the trustee to exercise, any rights of the 2013 Bondholders pursuant to any event of default under the constitutional documents of the 2013 Bonds and to use their best efforts to negotiate with the Company in good faith and conclude the execution of the necessary documents to effect terms of certain new bonds for the period 12 April 2013 to 13 May 2013, further details of which are set out in the circular of the Company dated 18 May 2013;
- (e) the Master Framework and Subscription Agreement, further details of which are set out in the announcement of the Company dated 4 September 2013;
- (f) 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) 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;

- (g) 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 (Shanghai Kang Mei Pharmaceutical Consulting Ltd) (“**Shanghai Kang Mei Pharmaceutical**”); (iii) 中綠(上海)實業有限公司 (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;
- (h) the top-up placing agreement dated 14 March 2014 entered into between (i) the Company; (ii) Oriental Patron Securities Limited (“**Oriental Patron**”) as placing agent; and (iii) Capital Mate as vendor, pursuant to which Oriental Patron 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 the Vendor at the placing price of HK\$0.60 per Share, for and on behalf of the Vendor, further details of which are set out in the announcement of the Company dated 14 March 2014;
- (i) the top-up subscription agreement dated 14 March 2014 entered into between (i) the Company; and (ii) 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 the Oriental Patron, further details of which are set out in the announcement of the Company dated 14 March 2014;
- (j) the specific mandate placing agreement (“**Specific Mandate Placing Agreement**”) dated 14 March 2014 entered into between (i) the Company; and (ii) Oriental Patron, pursuant to which Oriental Patron 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;
- (k) the letter of termination dated 28 April 2014 entered into between (i) the Company; and (ii) Oriental Patron, 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;
- (l) 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;

- (m) the Underwriting Agreement; and
- (n) the subscription agreement dated 13 August 2014 entered into between the Company and 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.

9. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor his associates (as defined in the Listing Rules) 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 appear.

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. PARTIES INVOLVED IN THE OPEN OFFER AND CORPORATE INFORMATION

Registered office	Clarendon House 2 Church Street Hamilton, HM11 Bermuda
Principal place of business in Hong Kong	Rooms 4120-24, 41/F Sun Hung Kai Centre 30 Harbour Road, Wanchai Hong Kong
Underwriter	SBI China Capital Financial Services Limited Unit A2, 32/F United Centre 95 Queensway 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 agent	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, Wanchai
Hong Kong

Authorised representatives

Mr. Sun Shao Feng
No. 1, Linhou Bei Li
Huli District, Xiamen City
Fujian Province
PRC

Mr. Sung Chi Keung
Flat B, 35/F.
Block 1, Discovery Park
Tsuen Wan, New Territories
Hong Kong

Company secretary

Mr. Sung Chi Keung, 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>)	No. 1, Linhou Bei Li Huli District, Xiamen City Fujian Province PRC
Mr. Chen Changgai	Room 801 No. 97 Huizhan South Lane Siming District, Xiamen PRC
Independent Non-Executive Directors	
Mr. Wei Xiongwen	Room 101 No.18, Lane 998, Yu Shan Road Shanghai City PRC
Mr. Hu Ji Rong	Room 402, Block 29 Tingfang Yuan, No. 523 Gongye Road Gulou District, Fuzhou City Fujian Province PRC
Mr. Zeng Shaoxiao	Dormitory, Block 43 South Area Jinshan New Village Cangshan District, Fuzhou City Fujian Province PRC

Name	Correspondence address
Senior management	
Mr. Sung Chi Keung	Flat B, 35/F. Block 1, Discovery Park Tsuen Wan, New Territories Hong Kong
Mr. Chen Qian	Room 301, No.14 Pudong Er Li Huli District, Xiamen City Fujian Province PRC
Mr. Lin Bing Wen	No.22, Dingcuo Wufeng Village, Majia Town Luojiang District, Quanzhou City Fujian Province PRC
Ms. Chen Bing Ling	No. 90 Xi Men Lane Xi Yuan Road Luo Cheng County Fujian Province PRC
Mr. Chen Wen Zhong	No.485, Xitou Huangtang Village, Huangtang Town Huian County Fujian Province PRC
Mr. Zhang Zhi Qin	Room 802 No.14 Hubin Nan Wu Li Siming District, Xiamen City Fujian Province PRC

Executive Directors*(1) Mr. Sun Shaofeng*

Mr. Sun Shao Feng (“**Mr. Sun**”), aged 49, is the Chairman, Chief Executive Officer and founder of the Group since its establishment. 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杰出人物頒獎典禮”) 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 407,274,000 Shares beneficially owned by Capital Mate and the 203,637,000 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 34, is an executive Director. 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 46, is an independent non-executive Director. 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 (“**CG 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, is an independent non-executive Director. 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 CG 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 33, 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 CG 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. Sung Chi Keung*

Mr. Sung Chi Keung (“**Mr. Sung**”), aged 39, holds a bachelor’s degree in business administration, majoring in professional accountancy, from The Chinese University of Hong Kong and a master’s degree in corporate finance from The Hong Kong Polytechnic University. 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. Before joining the Group, Mr. Sung was an executive director, a finance director and the company secretary of Asian Citrus Holdings Limited, a listed company on the AIM of the London Stock Exchange and the Stock Exchange which he has served for approximately 9 years. Prior to that, Mr. Sung has over 10 years of experience in financial management, accounting, taxation, auditing and corporate finance and previously worked for KPMG, PricewaterhouseCoopers Ltd. and Deloitte & Touche Corporate Finance Ltd..

(2) Mr. Chen Qian

Mr. Chen Qian (“**Mr. Q Chen**”), aged 42, 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 45, 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 39, 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 and the accompanying application form 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 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 12 September 2014:

- (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 2013 and 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 section A of 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 section headed “Material Contracts” in this appendix; and
- (f) this prospectus.