
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular 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 this circular and the accompanying form of proxy 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.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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)

ISSUE OF SHARES UNDER SPECIFIC MANDATE AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting of the Company to be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 17 October 2014 at 10:30 a.m. (or soon after the conclusion of the annual general meeting of the Company to be held on the same date and place at 10:00 a.m.) is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use by the Shareholders at the SGM is enclosed herein.

Whether or not you are able to attend such meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

30 September 2014

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Notice of SGM	SGM-1

DEFINITIONS

In this circular, 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
“Announcement”	the announcement of the Company dated 13 August 2014 in relation to the Subscription
“Board”	the board of Directors
“Bonds”	collectively, the 7.00 per cent. Bonds and the 10.00 per cent. Bonds
“Bondholders”	holders of the Bonds
“Business Day”	a day (excluding a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“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
“Company”	China Culiangwang Beverages Holdings Limited 中國粗糧王飲品控股有限公司, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription
“Completion Date”	the day on which Completion shall take place and such day shall fall on the fifth Business Day after the satisfaction of all the conditions precedent as set out in the Subscription Agreement (or such other date as may be agreed by the Company and the Subscriber in writing)

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Conversion Share(s)”	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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Latest Practicable Date”	25 September 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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, among 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 purpose only, Tsinghua Redbud Holding Ltd.), further particulars of which are set out in the announcement of the Company dated 20 June 2014)
“Offer Share(s)”	530,420,270 new Shares issued by the Company pursuant to the Open Offer
“Open Offer”	the issue of the Offer Shares by way of open offer on the basis of one Offer Share for every two existing Shares held on the record date, being 27 August 2014, to the qualifying Shareholders under the open offer on the terms set out in the prospectus of the Company dated 28 August 2014 and which took place on 22 September 2014
“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

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PS Consent”	the unconditional and irrevocable consent given by Partner Shanghai for the Company to proceed with the Subscription in accordance with the terms and conditions of the Subscription Agreement, notwithstanding that the Subscription will constitute an adjustment event under the Master Framework and Subscription Agreement, and enter into the relevant arrangements in relation to the Subscription
“SGM”	the special general meeting of the Company to be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 17 October 2014 at 10:30 a.m. (or soon after the conclusion of the annual general meeting of the Company to be held on the same date and place at 10:00 a.m.) to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder including the allotment and issue of the Subscription Shares by the Company under the Specific Mandate, the notice of which is set out on pages SGM-1 and SGM-2 of this circular
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate for the allotment and issue of the Subscription Shares to be sought by the Directors from the Shareholders at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Jun Yang Solar Power Investments Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Subscriber Group”	the Subscriber and its subsidiaries
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 13 August 2014 entered into between the Company and the Subscriber in relation to the Subscription

DEFINITIONS

“Subscription Price”	the subscription price of HK\$0.25 per Subscription Share
“Subscription Share(s)”	395,328,000 new Shares to be allotted and issued under the Subscription Agreement to the Subscriber upon Completion
“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.

LETTER FROM THE BOARD



CHINA CULIANGWANG BEVERAGES HOLDINGS LIMITED

中國粗糧王飲品控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 904)

Executive Directors:

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

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Independent non-executive Directors:

Mr Wei Xiongwen
Mr Hu Ji Rong
Mr Zeng Shaoxiao

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

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

30 September 2014

To the Shareholders and for information only, the Bondholders

Dear Sir or Madam

ISSUE OF SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

Reference is made to the Announcement in which the Company announced that after the trading hours on 13 August 2014, the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 395,328,000 Subscription Shares at the Subscription Price of HK\$0.25 per Subscription Share.

The SGM will be held to consider and, if thought fit, pass a resolution to approve the Subscription Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares.

The purpose of this circular is to give you, among other matters, further details of the Subscription Agreement and the notice convening the SGM.

LETTER FROM THE BOARD

THE SUBSCRIPTION AGREEMENT

Date

13 August 2014

Issuer

the Company

Subscriber

Jun Yang Solar Power Investments Limited

The Subscriber is a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange. The Subscriber Group is principally engaged in (i) solar energy business with a current focus on development, construction, operation and maintenance of power station projects; (ii) money lending business; and (iii) assets investment.

To the best knowledge, information and belief of the Directors, each of the Subscriber and its ultimate beneficial owner(s) is an Independent Third Party. As at the Latest Practicable Date, the Subscriber did not own any Shares or other securities of the Company.

One of the principal business activities of the Subscriber Group is money-lending. As at the Latest Practicable Date, the Company was indebted to the Subscriber Group a term loan (“**Subscriber Loan**”) in the principal amount of HK\$30 million, bearing interest at a rate of 10.0% per annum and with a maturity date on 27 September 2014.

Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 395,328,000 Subscription Shares.

The 395,328,000 Subscription Shares (of an aggregate nominal value of HK\$39,532,800) to be allotted and issued under the Subscription represent (i) approximately 24.84% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 19.90% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date and up to Completion).

LETTER FROM THE BOARD

Subscription Price

The Subscription Price of HK\$0.25 per Subscription Share represents:

- (i) a discount of approximately 43.18% to the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on 13 August 2014, being the date of the Subscription Agreement;
- (ii) a discount of approximately 39.61% to the average closing price of HK\$0.414 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a discount of approximately 40.48% to the closing price of HK\$0.42 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Subscriber with reference to the recent trading prices of the Shares and is equal to the subscription price of HK\$0.25 per Offer Share under the Open Offer. Taking into account that the Subscriber has valuable experience in developing solar and renewable energy, and that entering into the Subscription Agreement will create a closer alliance between the Company and the Subscriber which may benefit the Group in developing possible photovoltaic agriculture (further details of which is disclosed in the section headed "Reasons for and benefits of the Subscription" below), the Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price will be payable by the Subscriber in cash upon Completion.

PS Consent

Reference is made to the circular of the Company dated 2 October 2013 in relation to the Master Framework and Subscription Agreement. If the Subscription 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 the Master Framework and Subscription Agreement. In this regard, as one of the conditions precedent to the Subscription under the Subscription Agreement, the Company shall have obtained the PS Consent pursuant to which Partner Shanghai shall grant an unconditional and irrevocable consent to the Company to proceed with the Subscription in accordance with the terms and conditions of the Subscription Agreement, notwithstanding that the Subscription will constitute an adjustment event under the Master Framework and Subscription Agreement.

As at the Latest Practicable Date, the PS Consent had been obtained by the Company.

Conditions precedent

Completion of the Subscription shall be subject to the following conditions being satisfied:

- (a) the allotment and issue of new Shares pursuant to the terms of the Open Offer;
- (b) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares;

LETTER FROM THE BOARD

- (c) the compliance with the applicable requirements under the Listing Rules by each of the Company and the Subscriber;
- (d) the passing of resolution(s) by the Shareholders (to the extent they are entitled to vote on such resolution) at the SGM approving the Subscription Agreement, the allotment and issue of the Subscription Shares by the Company under the Specific Mandate; and
- (e) the delivery to the Company on or before 31 August 2014 the PS Consent duly executed by Partner Shanghai.

The above conditions precedent are not capable of being waived by either the Company or the Subscriber. If the conditions set out above have not been satisfied at or before 4:00 p.m. on 12 November 2014 (or such later date as the Company and the Subscriber may agree in writing), the Subscription Agreement shall cease and determine (save and except for the provisions governing the confidentiality obligations and other miscellaneous provisions which shall continue to have full force and effect) save for any antecedent breach by any party.

In determining the long stop date of the Subscription Agreement at 12 November 2014, the Company has taken into account the estimated time for the fulfilment of the conditions precedent under the Subscription Agreement, including (i) the then expected timetable under the Open Offer in which the time for the allotment and issue of the Offer Shares under the Open Offer was then expected to take place in late September 2014; and (ii) allowing for time required for preparing and despatching this circular to the Shareholders and giving notice of the SGM required under the Listing Rules and the bye-laws of the Company to convene the SGM. It is expected that upon the satisfaction of the conditions precedent under the Subscription Agreement as set out above, barring unforeseen circumstances, Completion will take place as soon as practicable in accordance with the Subscription Agreement after the passing of the resolution by the Shareholders at the SGM approving the grant of the Specific Mandate.

As at the Latest Practicable Date, save for the conditions precedent (a) and (e) as mentioned above, none of the conditions precedent above had been fulfilled.

Completion Date

Completion shall take place on the fifth Business Day after the satisfaction of all the conditions precedent referred to above (or such other date as may be agreed by the Company and the Subscriber in writing).

Lock-up of Subscription Shares

During the period of two (2) months from the Completion Date (“**Lock-up Period**”), save with the prior written consent of the Company, the Subscriber shall remain as the sole beneficial owner, free from all encumbrances and third party right, of the Subscription Shares. At any time during the Lock-up Period, the Subscriber shall not offer, pledge, charge, sell, contract to sell, or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, the Subscription Shares.

LETTER FROM THE BOARD

Ranking

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

SPECIFIC MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be issued under the Specific Mandate granted to the Directors by resolution of the Shareholders to be passed at the SGM.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

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

The Board considers that the Subscription represents good opportunities to enhance the Shareholders' base and raise additional funds for future developments, especially in the field of solar energy and other renewable energy uses in agriculture.

According to the PRC's 《太陽能光伏產業“十二五”規劃》 (in English, for identification purpose only, “Solar Energy Industry “Twelfth Five-Years” Plan”), photovoltaic power generation is the promoted renewable energy. In the PRC State Council's 《國務院關於促進光伏產業健康發展的若干意見》 dated 15 July 2013 (in English, for identification purpose only, “Several opinions of the State Council on promoting the healthy development of the photovoltaic industry”), the intended goals of increasing average annual power generating capacity of photovoltaic machinery by 10 gigawatts in 2013 to 2015 and having a total capacity of 35 gigawatts or above by 2015 are set.

The Group currently has 200,000 mu of farmland in Baicheng City of Jilin Province which is designed to grow multi grains as one of the raw materials for the Group's branded beverage business. The Board believes that developing photovoltaic agriculture can help create better value between modern agriculture and the renewable energy industry. By installing power generation boards above farm sheds or other non-agricultural area of farm lands, the aggregate land use ratio could be increased without materially adversely affecting the Group's agriculture production capacity. Self-generation of power not only reduces costs of farming, but may also create new revenue stream for the Group by selling surplus electricity to national electricity network. The Board is of the view that the Subscriber is one of the leading companies in the solar and renewable energy industry and believes that the involvement of the Subscriber will help the Group execute the solar energy production plan in the Group's farmland in a more effective and efficient manner. Taking into account the benefits to be accrued to the Group as described in this paragraph, the Directors are of the view that the Subscription Agreement is on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The aggregate gross proceeds of the Subscription will be approximately HK\$98.8 million and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$98.0 million, representing a net issue price of approximately HK\$0.248 per Subscription Share. It is intended that all net proceeds from the Subscription will be used by the Company (i) as to approximately HK\$30.0 million for reduction of the Group's level of debt which does not include the repayment of the Subscriber Loan; (ii) as to approximately HK\$20.0 million for general working capital of the Group; and (iii) as to approximately HK\$48.0 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 net proceeds will be used for investment in other agriculture-related business and/or companies or further development of the branded beverage products business of the Group.

As disclosed in the prospectus of the Company dated 28 August 2014 (“**Open Offer Prospectus**”) in relation to the Open Offer, apart from 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. Further, as disclosed in the Open Offer Prospectus, the Company intended to utilise approximately HK\$58.6 million out of the net proceeds of the Open Offer to reduce the debt level of the Group. The Company intended, therefore, to utilise approximately HK\$30.0 million out of the net proceeds of the Subscription for further reduction of the Group's level of debt, which is approximately the remainder of the aforementioned outstanding short-term loans.

While the Group had cash and cash equivalents of RMB294.8 million as at 30 April 2014, the Group would need to maintain a certain level of its cash to meet the working capital requirement for the Group's business operation. The Directors thus intend to use part of the net proceeds from the Subscription to further reduce the Group's debt level, instead of repaying the loans by way of cash in hand.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE LATEST PRACTICABLE DATE

Apart from the fund raising activities mentioned below, the Company had 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 a 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

LETTER FROM THE BOARD

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
29 July 2014 and 19 September 2014	The Open Offer	HK\$128.6 million	As to approximately HK\$47 million for the payment of interests of the Bonds which will be due in October 2014 and 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	Will be used as intended

Reference is made to the announcements of the Company dated 4 September 2013, 23 October 2013 and 20 June 2014. 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 such subscription had 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 condition.

CHANGES IN SHAREHOLDING STRUCTURE

For illustration purpose only, the following table illustrates the shareholding structure of the Company:

- (1) as at the Latest Practicable Date;
- (2) immediately following Completion (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date and up to Completion other than the issue of the Subscription Shares);
- (3) immediately upon new Shares being issued under the Master Framework and Subscription Agreement before Completion (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date and up to Completion other than the issue of the new Shares under the Master Framework and Subscription Agreement); and

LETTER FROM THE BOARD

- (4) immediately upon new Shares being issued under the Master Framework and Subscription Agreement after Completion (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date and up to Completion other than the issue of (i) the Subscription Shares and (ii) the new Shares under the Master Framework and Subscription Agreement):

Shareholder	(1) As at the Latest Practicable Date		(2) Immediately upon Completion		(3) Immediately upon new Shares being issued under the Master Framework and Subscription Agreement before Completion		(4) Immediately upon new Shares being issued under the Master Framework and Subscription Agreement after Completion	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Capital Mate	610,911,000	38.39	610,911,000	30.75	610,911,000	33.61	610,911,000	27.60
The Subscriber	-	-	395,328,000	19.90	-	-	395,328,000	17.86
Partner Shanghai	-	-	-	-	226,553,576	12.46	226,553,576	10.24
Public Shareholders	980,349,810	61.61	980,349,810	49.35	980,349,810	53.93	980,349,810	44.30
Total:	1,591,260,810	100	1,986,588,810	100	1,817,814,386	100	2,213,142,386	100

ADJUSTMENTS RELATING TO THE BONDS UPON COMPLETION

As the Subscription Price is less than 95% of the Current Market Price (as defined below) on the last trading day preceding the date of announcement of the terms of such issue, pursuant to the terms and conditions of the Bonds, adjustments to the conversion price per Conversion Share shall be made upon Completion. 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. Details of the adjustment mechanism are disclosed in the respective Condition 6(C) of the sections headed “Terms and conditions of the 7.00 per cent. 2016 Bonds” and “Terms and conditions of the 10.00 per cent. 2016 Bonds” in the offering circular of the Company dated 1 May 2013 published on the website of the Singapore Exchange Securities Trading Limited and referred to in the overseas regulatory announcement of the Company dated 14 November 2013.

With respect to the Subscription, the conversion price of the Bonds shall be adjusted by multiplying the conversion price of the Bonds in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

LETTER FROM THE BOARD

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price; and
- C is the number of Shares to be issued pursuant to such issue of Shares.

Such adjustment shall become effective on the date of issue of such additional Shares.

For the purpose of the above calculation:

“Current Market Price” means in respect of a Share on a particular date, the arithmetic average of the closing prices for one Share (being a Share carrying full entitlement to dividends) for the 20 consecutive trading days ending on the trading day immediately preceding such date; provided that if at any time during the said 20 trading day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the fair market value of the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the amount equal to the fair market value of that dividend per Share;

and provided further that if the Shares on each of the said 20 trading days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

When the Company notifies the Bondholders about the adjustments to the conversion prices, the Company will make an overseas regulatory announcement on the website of the Stock Exchange to inform the Shareholders and the investing public about such adjustments.

LISTING RULES IMPLICATIONS

Upon Completion, the Subscriber will become a substantial Shareholder and thus a connected person of the Company. For so long as the Subscriber remains a connected person of the Company, any transactions to be entered into between the Subscriber Group and the Group will constitute connected transaction or, as the case may be, continuing connected transactions for the Company and shall be subject to the applicable requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

SGM

The SGM will be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 17 October 2014 at 10:30 a.m. (or soon after the conclusion of the annual general meeting of the Company to be held on the same date and place at 10:00 a.m.) for the purposes of considering of, if thought fit, pass a resolution to approve the Subscription Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has a material interest in the transactions contemplated under the Subscription Agreement and therefore, none of the Shareholders is required to be abstained from voting on the resolution to be proposed at the SGM.

You will find enclosed a form of proxy for use at the SGM. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the SGM to the office of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM in person should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked. The resolution to put forward for Shareholders' approval at the SGM will be decided by way of poll.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Subscription Agreement including the allotment and issue of the Subscription Shares are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend that all Shareholders should vote in favour of the resolution proposed at the SGM to approve the Subscription Agreement including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares.

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

NOTICE OF SGM



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“**SGM**”) of China Culiangwang Beverages Holdings Limited (“**Company**”) will be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 17 October 2014 at 10:30 a.m. (or soon after the conclusion of the annual general meeting of the Company to be held on the same date and place at 10:00 a.m.), for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the Subscription Agreement (as defined in the circular dated 30 September 2014 despatched to the shareholders of the Company (“**Circular**”), a copy of which marked “A” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting) and all the transactions contemplated thereunder be and are hereby approved;
- (b) the issue of the Subscription Shares (as defined in the Circular) pursuant to the Subscription Agreement (as defined in the Circular) and all the transactions contemplated thereunder, be and is hereby approved;
- (c) subject to Completion (as defined in the Circular), the directors of the Company (“**Directors**”) be and are hereby specifically authorised to allot and issue the Subscription Shares in accordance with the terms and conditions of the Subscription Agreement; and
- (d) the Directors be and are hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be in their discretion consider desirable or expedient to give effect to the Subscription Agreement and all the transactions contemplated thereunder as well as in relation to the issue and allotment of the Subscription Shares and to agree to such variation, amendment or waiver relating thereto (provided that such variation, amendment or waiver shall not be fundamentally different from those as provided in the Subscription Agreement) as are, in the opinion of the Directors, in the interest of the Company.”

By Order of the Board
China Culiangwang Beverages Holdings Limited
Sung Chi Keung
Company Secretary

Hong Kong, 30 September 2014

NOTICE OF SGM

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

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

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

Notes:

1. A member of the Company entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or, if he/she is the holder of two or more shares, more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her behalf. A proxy need not be a member of the Company, but must be present in person at the SGM to represent the member.
2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
3. In order to be valid, the form of proxy and (if required by the Directors), the power of attorney or other authority (if any), under which it is signed, or a certified copy of such power or authority must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.
4. As at the date of this notice, the board of Directors comprises two executive Directors, namely Mr. Sun Shao Feng (Chairman and Chief Executive Officer) and Mr. Chen Changgai; and three independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong and Mr. Zeng Shaoxiao.