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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 OF NOT LESS THAN 2,384,570,154 OFFER SHARES
AND NOT MORE THAN 2,895,459,776 OFFER SHARES
AT HK\$0.12 PER OFFER SHARE
ON THE BASIS OF 2 OFFER SHARES FOR EVERY 1 SHARE
HELD ON THE RECORD DATE
AND
CHANGE OF BOARD LOT SIZE**

Underwriter



Convoy Securities Limited

Financial adviser



Convoy Capital Hong Kong Limited

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

Nuada Limited

Corporate Finance Advisory

Nuada Limited

THE OPEN OFFER

The Company proposes to raise not less than approximately HK\$286.1 million before expenses by issuing not less than 2,384,570,154 Offer Shares and not more than approximately HK\$347.5 million before expenses by issuing not more than 2,895,459,776 Offer Shares at the Subscription Price of HK\$0.12 per Offer Share on the basis of 2 Offer Shares for every 1 Share in issue on the Record Date.

Based on the 1,192,285,077 Shares in issue as at the date of this announcement and assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date and no exercise of the conversion rights under the Bonds before the Record Date, upon completion of the Open Offer, 2,384,570,154 Offer Shares will be issued. If the conversion rights under the Bonds were exercised in full on or before the Record Date, upon completion of the Open Offer, 2,895,459,776 Offer Shares would be issued.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the minimum aggregate number of 2,384,570,154 Offer Shares proposed to be allotted pursuant to the Open Offer represents: (i) 200% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 66.67% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of such Offer Shares.

Assuming that the conversion rights under the Bonds were exercised in full on or before the Record Date and there is no other change in the issued share capital of the Company from the date of this announcement up to the Record Date, the maximum aggregate number of 2,895,459,776 Offer Shares proposed to be allotted pursuant to the Open Offer represents: (i) 200% of the issued share capital of the Company as enlarged by the Shares allotted and issued pursuant to the exercise of the conversion rights under the Bonds in full; and (ii) approximately 66.67% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of such Offer Shares.

In compliance with Rule 7.24(5)(a) of the Listing Rules, the Open Offer must be made conditional by the Independent Shareholders at the SGM. For the purpose of determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 7 March 2016 to Wednesday, 9 March 2016 (both dates inclusive) and no transfer of Shares will be registered during such period.

The register of members of the Company will also be closed from Tuesday, 15 March 2016 to Monday, 21 March 2016 (both dates inclusive) to determine the entitlement to the Open Offer and no transfer of Shares will be registered during such period.

The Record Date is Monday, 21 March 2016. The last day of dealings in the Shares on a cum-entitlement basis is Thursday, 10 March 2016. The Shares will be dealt in on an ex-entitlement basis from Friday, 11 March 2016. To qualify for the Open Offer, Shareholders must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

Underwriting Agreement

Pursuant to the Underwriting Agreement, the Open Offer (other than the Committed Shares, being all the Offer Shares which Capital Mate has agreed to take up representing all of its assured entitlement under the Open Offer) will be fully underwritten by the Underwriter on the terms and subject to the conditions in the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally undertaken to underwrite the Offer Shares (other than the Committed Shares), being not less than 1,651,476,954 Offer Shares and not more than 2,162,366,576 Offer Shares on a fully underwritten basis. 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 an undertaking signed by Capital Mate in relation to the acceptance of the Committed Shares.

GENERAL

A circular containing, among others, details of the Open Offer, the advice and recommendations of the Independent Board Committee (which comprises all the independent non-executive Directors), the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer, together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

Subject to the passing of the resolution approving the Open Offer by the Independent Shareholders at the SGM, the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders (and for their information only, to the Excluded Shareholders) on Tuesday, 22 March 2016.

CHANGE OF BOARD LOT SIZE

The Board proposed to change the board lot size for trading of the Shares from 4,000 Shares to 20,000 Shares after the completion of the Open Offer.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon 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 exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE OPEN OFFER

Issue statistics

Basis of the Open Offer	:	2 Offer Shares for every 1 Share held on the Record Date and payable in full on acceptance.
Subscription Price	:	HK\$0.12 per Offer Share.
Number of Shares in issue as at the date of this announcement	:	1,192,285,077 Shares.
Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement	:	Under the Bonds, (i) up to 252,392,157 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\$2.55 per Conversion Share (subject to adjustments); and (ii) up to 3,052,654 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\$21.95 per Conversion Share (subject to adjustments).
Number of Offer Shares	:	Not less than 2,384,570,154 Offer Shares and not more than 2,895,459,776 Offer Shares. The aggregate nominal value of the total Offer Shares will be not less than HK\$238,457,015.4 and not more than HK\$289,545,977.6. Assuming that only 2,384,570,154 Offer Shares are issued under the Open Offer, the net subscription price for each Offer Share is approximately HK\$0.117.
Number of Shares in issue upon completion of the Open Offer	:	Not less than 3,576,855,231 Shares and not more than 4,343,189,664 Shares.
Amount raised before expenses	:	Not less than approximately HK\$286.1 million and not more than approximately HK\$347.5 million.

The number of Offer Shares which may be issued pursuant to the Open Offer will be increased in proportion to any Conversion Shares which may be allotted and issued pursuant to the exercise of the conversion rights attaching to the Bonds on or before the Record Date. As at the date of this announcement, up to a total of 255,444,811 Conversion Shares may fall to be allotted and issued pursuant to the exercise of the conversion rights attaching to the Bonds.

Based on the 1,192,285,077 Shares in issue as at the date of this announcement and assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date and no exercise of the conversion rights under the Bonds before the Record Date, upon completion of the Open Offer, 2,384,570,154 Offer Shares will be issued. If the conversion rights under the Bonds were exercised in full on or before the Record Date, upon completion of the Open Offer, 2,895,459,776 Offer Shares would be issued.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the minimum aggregate number of 2,384,570,154 Offer Shares proposed to be allotted pursuant to the Open Offer represents: (i) 200% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 66.67% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of such Offer Shares.

Assuming that the conversion rights under the Bonds were exercised in full on or before the Record Date and there is no other change in the issued share capital of the Company from the date of this announcement up to the Record Date, the maximum aggregate number of 2,895,459,776 Offer Shares proposed to be allotted pursuant to the Open Offer represents: (i) 200% of the issued share capital of the Company as enlarged by the Shares allotted and issued pursuant to the exercise of the conversion rights under the Bonds in full; and (ii) approximately 66.67% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of such Offer Shares.

As at the date of this announcement, 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 date of this announcement” above, the Company had no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Qualifying Shareholders

Subject to the passing of the resolution approving the Open Offer by the Independent Shareholders at the SGM, Shareholders must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder in order to qualify for the Open Offer.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

The Record Date is Monday, 21 March 2016. The last day of dealings in the Shares on a cum-entitlement basis is Thursday, 10 March 2016. The Shares will be dealt in on an ex-entitlement basis from Friday, 11 March 2016.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 14 March 2016.

Save for Capital Mate, 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 based on its shareholding in the Company as at the date of this announcement), as at the date of this announcement, the Board had not received any information from any substantial Shareholders of their intention to take up the Offer Shares under the Open Offer.

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.

The Directors will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders.

The result of the enquiries and the basis of the exclusion, if any, will be included in the Prospectus.

Closure of register of members

For the purpose of determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 7 March 2016 to Wednesday, 9 March 2016 (both dates inclusive) and no transfer of Shares will be registered during such period.

The register of members of the Company will also be closed from Tuesday, 15 March 2016 to Monday, 21 March 2016 (both dates inclusive) to determine the entitlement to the Open Offer and no transfer of Shares will be registered during such period.

Subscription Price

The Subscription Price is HK\$0.12 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 46.67% to the closing price of HK\$0.225 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (2) a discount of approximately 58.53% to the average closing price of HK\$0.2894 per Share quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day.

The Subscription Price also represents a discount of approximately 22.58% to the theoretical ex-entitlement price of HK\$0.155 per Share based on the closing price of HK\$0.225 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiations 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 respective allotment and issue. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared after the date of allotment and issue of the Offer Shares.

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, 18 April 2016 to those entitled thereto by ordinary post at their own risk.

Application for listing

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

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

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

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

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.

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

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

UNDERWRITING AGREEMENT

Date : 19 January 2016

Parties : (1) the Company; and

(2) the Underwriter, Convoy Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO.

As at the date of this announcement, the Underwriter did not hold any Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter is an Independent Third Party.

Number of Underwritten Shares : The Offer Shares other than the Committed Shares, being not less than 1,651,476,954 Offer Shares (*Note 1*) and not more than 2,162,366,576 Offer Shares (*Note 2*).

The aggregate nominal value of the Underwritten Shares will be not less than HK\$165,147,695.4 and not more than HK\$216,236,657.6.

Notes:

1. This figure assumes that no further Shares will be allotted and issued before the Record Date from the date of this announcement.
2. This figure assumes that the conversion rights under the Bonds have been exercised in full and new Shares have been allotted and issued pursuant thereto on or before the Record Date (but otherwise, no Shares have been allotted and issued on or before the Record Date).

Commission and expenses : The Company shall pay:

- (a) to the Underwriter a commission of 2.5 per cent. of the aggregate Subscription Price in respect of the Underwritten Shares; 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 on 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 4:00 p.m. on the first 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 the Untaken Shares for the Underwriter to subscribe for or procure subscription for the Untaken Shares.

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 the 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 be 30% or more 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 of the Company as a result of such subscription and such subscriber, together with parties acting in concert with it, shall not be holding 30% or more of the issued share capital of the Company upon the allotment and issue of the Offer Shares;
- (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-underwriter), shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries and their respective close associates; and
- (4) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Open Offer solely because of 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 of the Listing Rules.

CM Undertaking

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 has irrevocably confirmed, undertaken and warranted to the Company that:

- (1) Capital Mate shall accept and pay for the Committed Shares and undertake to lodge or procure to be lodged with the Company, acceptance in respect of such Committed Shares, with payment in full therefor in cash by no later than the Latest Time for Acceptance; and
- (2) the aggregate of 366,546,600 Shares currently beneficially owned by Capital Mate will 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 will 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).

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 on 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 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 of the Group as a whole or is materially adverse in the context of the Open Offer; 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 this announcement 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

- (3) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (4) the Prospectus in connection with the Open Offer when published contains information (either as to the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date 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.

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

Pursuant to the Underwriting Agreement, the Underwriter is 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.

Conditions of the Open Offer

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

- (1) the passing by the Independent Shareholders at the SGM of an ordinary resolution to approve the Open Offer by no later than the Prospectus Posting Date;

- (2) the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of and permission to deal in all the Offer Shares on or before the Latest Time for Termination;
- (3) 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;
- (4) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date;
- (5) delivery to the Underwriter on the date of the Underwriting Agreement the CM Undertaking duly executed by Capital Mate;
- (6) compliance with and performance by Capital Mate of the CM Undertaking on or before the Latest Time for Acceptance; and
- (7) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination.

Save for the condition precedent as set out in sub-paragraph (6) 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 and/or waived (as appropriate) 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 save for any antecedent breaches.

CHANGES IN SHAREHOLDING STRUCTURE

For illustrative purposes only:

- (1) If the Open Offer is to proceed, set out below is the shareholding structure of the Company assuming that (i) there is no change in the shareholding structure of the Company from the date of this announcement up to the Record Date; and (ii) there is no Excluded Shareholder on the Record Date:

Shareholder	(1) As at the date of this announcement and up to the Record Date		(2) Immediately upon completion of the Open Offer (assuming all Shareholders have taken up the Offer Shares)		(3) Immediately upon completion of the Open Offer (assuming no Shareholder (other than Capital Mate who has taken up the Committed Shares) has taken up the Offer Shares) (Note)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Capital Mate	366,546,600	30.74	1,099,639,800	30.74	1,099,639,800	30.74
<i>Public Shareholders:</i>						
Underwriter or subscribers procured by it	–	–	–	–	1,651,476,954	46.17
Other public Shareholders	825,738,477	69.26	2,477,215,431	69.26	825,738,477	23.09
Total:	<u>1,192,285,077</u>	<u>100.00</u>	<u>3,576,855,231</u>	<u>100.00</u>	<u>3,576,855,231</u>	<u>100.00</u>

- (2) If the Open Offer is to proceed, set out below is the shareholding structure of the Company assuming that (i) the conversion rights under the Bonds have been exercised in full and all the Conversion Shares have been allotted and issued on or before the Record Date; (ii) that there is no other change in the shareholding structure of the Company from the date of this announcement up to the Record Date; and (iii) there is no Excluded Shareholder on the Record Date:

Shareholder	(1)		(2)		(3)	
	As at the date of this announcement and up to the Record Date		Immediately upon completion of the Open Offer (assuming all Shareholders have taken up the Offer Shares)		Immediately upon completion of the Open Offer (assuming no Shareholder (other than Capital Mate who has taken up the Committed Shares) has taken up the Offer Shares) (Note)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Capital Mate	366,546,600	25.32	1,099,639,800	25.32	1,099,639,800	25.32
<i>Public Shareholders:</i>						
Underwriter or subscribers procured by it	-	-	-	-	2,162,366,576	49.79
Bondholders and other public Shareholders	1,081,183,288	74.68	3,243,549,864	74.68	1,081,183,288	24.89
Total:	1,447,729,888	100.00	4,343,189,664	100.00	4,343,189,664	100.00

Note: Shareholders and potential shareholders should note that such scenarios are for illustration purposes only. The Company will ensure compliance with the public float requirements pursuant to Rule 8.08 of the Listing Rules at all times.

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 be 30% or more 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 of the Company as a result of such subscription and such subscriber, together with parties acting in concert with it, shall not be holding 30% or more of the issued share capital of the Company upon the allotment and issue of the Offer Shares; and (3) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriter), shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries and their respective close associates.

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 to reduce its indebtedness so as to improve the gearing ratio of the Group and other financial performance of the Group. In addition, the Open Offer would allow the Company to strengthen its capital base and provide an opportunity to all Qualifying Shareholders to participate in the future development of the Company. 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 not less than approximately HK\$286.1 million and not more than HK\$347.5 million before expenses from the Open Offer. The Company intends to use the net proceeds from the Open Offer, being not less than approximately HK\$278.1 million and not more than approximately HK\$339.5 million, as to approximately HK\$258.1 million to reduce the indebtedness of the Group and the remaining of approximately HK\$20 million (based on the minimum amount of net proceeds) will be used as general working capital of the Group. As at the date of this announcement, apart from the Bonds, the Group has outstanding loans due to banks and other entities of approximately HK\$1,230 million which will fall due within the next twelve months.

The estimated expenses in relation to the Open Offer, including underwriting commission, financial, legal and other professional expenses, of approximately HK\$8.0 million, will be borne by the Company.

CHANGE OF BOARD LOT SIZE

The Shares are currently traded in board lots of 4,000 Shares each and the market value of each board lot is HK\$900 (based on the closing price of HK\$0.225 per Share as quoted on the Stock Exchange on the Last Trading Day). In order to increase the value of each board lot of the Shares to enable the Company to avoid incompliance with the trading requirements under the Listing Rules, it is proposed that the board lot size of the Shares shall be changed from 4,000 to 20,000 after completion of the Open Offer. Based on the theoretical ex-entitlement price of the Shares of HK\$0.155 per Share with

reference to the closing price on the Last Trading Day, the new estimated board lot value would be HK\$3,100. The change of board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change of board lot size is in the interests of the Company and the Shareholders as a whole.

ARRANGEMENT FOR MATCHING SERVICE FOR ODD LOTS

In order to alleviate the difficulties arising from the existence of odd lots of Shares as a result of the change of board lot size of the Shares, the Company will appoint an agent to arrange for matching service on a best efforts basis regarding the sale and purchase of odd lots of Shares from Tuesday, 19 April 2016 to Tuesday, 10 May 2016 (both days inclusive). Shareholders should note that matching of the sale and purchase of odd lots of Shares is not guaranteed. Shareholders who are in any doubt about the odd lots arrangement is recommended to consult their own professional advisers. Further details in respect of the odd lots trading arrangement will be set out in the circular to be despatched to the Shareholders.

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
Expected date of despatch of circular with notice of the SGM	Monday, 22 February 2016
Latest time for lodging transfer of Shares in order to qualify for attending and voting at the SGM	4:30 p.m. on Friday, 4 March 2016
Register of members of the Company closed	Monday, 7 March 2016 to Wednesday, 9 March 2016 (both dates inclusive)
Latest time for lodging forms of proxy for the purpose of the SGM (not less than 48 hours before the SGM)	10:00 a.m. on Monday, 7 March 2016
Time and date of the SGM	10:00 a.m. on Wednesday, 9 March 2016
Announcement of results of the SGM	Wednesday, 9 March 2016
Register of members of the Company re-opens	Thursday, 10 March 2016

Last day of dealing in Shares on a cum-entitlement basis.....	Thursday, 10 March 2016
First day of dealing in Shares on ex-entitlement basis.....	Friday, 11 March 2016
Latest time for lodging transfer of Shares in order to qualify for the Open Offer.....	4:30 p.m. on Monday, 14 March 2016
Register of members of the Company closed	Tuesday, 15 March 2016 to Monday, 21 March 2016 (both dates inclusive)
Record Date to determine entitlements under the Open Offer	Monday, 21 March 2016
Register of members of the Company re-opens	Tuesday, 22 March 2016
Despatch of the Prospectus Documents	Tuesday, 22 March 2016
Latest Time for Acceptance and payment for the Offer Shares	4:00 p.m. on Friday, 8 April 2016
Expected time for the Open Offer to become unconditional	4:00 p.m. on Tuesday, 12 April 2016
Announcement of results of the Open Offer to be published on the Stock Exchange website	Friday, 15 April 2016
Despatch of certificates for the Offer Shares.....	Monday, 18 April 2016
Despatch of refund cheques if the Open Offer is terminated	Monday, 18 April 2016
Dealings in the Offer Shares expected to commence.....	9:00 a.m. on Tuesday, 19 April 2016
Effective date of the change of board lot size from 4,000 Shares to 20,000 Shares	Tuesday, 19 April 2016
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares.....	9:00 a.m. on Tuesday, 19 April 2016
Last day for the designated broker to provide matching services for odd lots of the Shares.....	4:00 p.m. on Tuesday, 10 May 2016

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

All times in this announcement 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, 8 April 2016, being the date of the Latest Time for Acceptance:

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

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

Dates or deadlines stated in this announcement 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.

FUND RAISING ACTIVITIES OF THE COMPANY WITHIN 12 MONTHS TO THE DATE OF THIS ANNOUNCEMENT

Apart from the fund raising activities mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds
17 April 2015 and 7 July 2015	Open offer on the basis of two offer shares for every one share held on the then record date at an offer price of HK\$0.20 per offer share	HK\$772.9 million	(i) HK\$400 million for the repayment of the 19.2% per annum notes issued by the Company on 8 April 2015 (“Notes”);	(i) HK\$395.2 million had been utilised as intended for the repayment of the Notes;
			(ii) HK\$200 million to reduce other indebtedness of the Group;	(ii) HK\$204.8 million had been utilised as intended for reducing other indebtedness of the Group;
			(iii) HK\$100 million to strengthen and develop the fresh produce and processed products and branded food products related businesses of the Group;	(iii) HK\$11.7 million had been utilised as intended to strengthen and develop the fresh produce and processed products and branded food products related businesses of the Group;
			(iv) HK\$24 million for the payment of professional fees and initial costs estimated for restructuring (“Restructuring”) of the Group’s business in preparation of the very substantial disposal as announced by the Company on 17 April 2015; and	(iv) HK\$24.0 million had been utilised as intended for the payment of part of the professional fees and costs for the Restructuring; and
			(v) HK\$48.9 million as general working capital and operating expenses of the Group	(v) HK\$36.9 million had been utilised as intended as general working capital and operating expenses of the Group.
				The remaining net proceeds of approximately HK\$100.3 million have remained unused and are intended to be used as planned.

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds
25 March 2015 and 8 April 2015	Issue of loan notes in the principal amount of HK\$380 million	HK\$379 million	Partial redemption of the 10.00 per cent. Bonds and payment of accrued interest under the Bonds	Utilised as intended for the partial redemption of the 10.00 per cent. Bonds and payment of accrued interests under the Bonds

IMPLICATIONS UNDER THE LISTING RULES

In compliance with Rule 7.24(5)(a) of the Listing Rules, the Open Offer must be made conditional subject to Shareholders' approval under the Listing Rules whereby any controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of such resolution. As at the date of this announcement, Capital Mate is the controlling shareholder of the Company. Accordingly, Capital Mate, Mr. Sun Shao Feng, the ultimate beneficial owner of Capital Mate, and their respective associates will abstain from voting in favour of the resolution for approving the Open Offer to be proposed at the SGM.

Save as disclosed above, no Shareholder is required to abstain from voting on the resolution for approving the Open Offer to be proposed at the SGM.

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 of 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.

GENERAL

The Company has established an Independent Board Committee (which comprises all the independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong, Mr. Zeng Shaoxiao and Ms. Yu Xiao Min) to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser.

In this connection, the Company has appointed Nuada Limited as the Independent Financial Adviser (the appointment of which has been approved by the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders as to whether the Open Offer is fair and reasonable and is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

A circular containing, among other things, (i) details of the Open Offer, (ii) the advice and the recommendation of the Independent Board Committee, and (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer, together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

Subject to the passing of the resolution approving the Open Offer by the Independent Shareholders at the SGM, the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders (and for their information only, to the Excluded Shareholders) on Tuesday, 22 March 2016.

Closure of register of members

To ascertain the Shareholders' entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 7 March 2016 to Wednesday, 9 March 2016 (both dates inclusive), during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the SGM, all transfers of Shares accompanied by the relevant shares certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 4 March 2016.

The register of members of the Company will also be closed from Tuesday, 15 March 2016 to Monday, 21 March 2016 (both dates inclusive) to determine the entitlement to the Open Offer and no transfer of Shares will be registered during such period.

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.

Shareholders should note that subject to the passing of the resolution approving the Open Offer by the Independent Shareholders at the SGM, the Shares will be dealt in on an ex-entitlement basis commencing from Friday, 11 March 2016 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

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 Tuesday, 12 April 2016), 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.

DEFINITIONS

In this announcement, 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 issued by the Company
“10.00 per cent. Bonds”	US\$ settled 10.00 per cent. secured convertible bonds due 2016 issued by the Company
“acting in concert”	has the meaning ascribed to it by the Takeovers Code
“Application Form(s)”	the form(s) of application in respect of the Open Offer
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonds”	collectively, the 7.00 per cent. Bonds and the 10.00 per cent. Bonds
“Bondholder(s)”	person(s) whose name(s) is/are registered in the register(s) of holders of the Bonds from time to time
“Business Day”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning 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 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 banks in Hong Kong are open for business
“Capital Mate”	Capital Mate Limited, an existing Shareholder and a company incorporated in the British Virgin Islands with limited liability and controlled 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”	has the meaning ascribed to it under the Listing Rules
“CM Undertaking”	the irrevocable undertaking in relation to the acceptance of the Committed Shares to be given by Capital Mate and delivered to the Company and the Underwriter as one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares pursuant to the Underwriting Agreement
“Committed Shares”	being the aggregate of 733,093,200 Offer Shares which Capital Mate has irrevocably undertaken to accept as assured entitlement under the Open Offer pursuant to the CM Undertaking
“Company”	China Culiangwang Beverages Holdings Limited (中國粗糧王飲品控股有限公司), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conversion Shares”	the number of Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the 7.00 per cent. Bonds or, as the case may be, the 10.00 per cent. Bonds and a “Conversion Share” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“Excluded Shareholders”	the Overseas Shareholders, to whom the Directors, based on legal opinions provided by legal advisers and 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, considers it necessary or expedient not to offer the Offer Shares
“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 Board Committee”	a committee of the Board comprising Mr. Wei Xiongwen, Mr. Hu Ji Rong, Mr. Zeng Shaoxiao and Ms. Yu Xiao Min, all being independent non-executive Directors, constituted to advise the Independent Shareholders on the Open Offer
“Independent Financial Adviser”	Nuada Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer
“Independent Shareholder(s)”	Shareholder(s) other than Capital Mate, Mr. Sun Shao Feng and their respective associates
“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”	19 January 2016, being the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 8 April 2016 or such later time as may be agreed between the Company and the Underwriter, being the latest time for application for the Offer Shares
“Latest Time for Termination”	4:00 p.m. on Tuesday, 12 April 2016 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	not less than 2,384,570,154 new Shares and not more than 2,895,459,776 new Shares to be issued by the Company pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of open offer on the basis of 2 Offer Shares for every 1 Share in issue on the Record Date to the Qualifying Shareholders on the terms to be 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
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Tuesday, 22 March 2016 or such later date as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Monday, 21 March 2016 or such other date as may be agreed between the Company and the Underwriter, being the date by reference to which entitlements under the Open Offer will be determined
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve, among other matters, if any, the Open Offer (or any adjournment thereof)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.12 per Offer Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Convoy Securities Limited, a company incorporated in Hong Kong and a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 19 January 2016 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 not less than 1,651,476,954 Offer Shares and not more than 2,162,366,576 Offer Shares, to be 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.

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

Hong Kong, 19 January 2016

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Sun Shao Feng (Chairman and Chief Executive Officer) and Mr. Chen Changgai; and four independent non-executive Directors, namely Mr. Wei Xiongwen, Mr. Hu Ji Rong, Mr. Zeng Shaoxiao and Ms. Yu Xiao Min.