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

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DEFINITIONS

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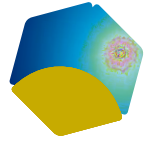
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DEFINITIONS

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LETTER FROM THE BOARD

The terms of the arrangement set forth in the above-captioned letter to the Board of the Company, (1) further confirm the arrangement between the Company and the Board, (2) reiterate the terms of the arrangement between the Company and the Board, (3) confirm the arrangement between the Company and the Board, and (4) note the Board's approval of the arrangement.

2. THE AGREEMENT


The terms of the arrangement set forth are as follows:

Date

25 2017

Parties

For the Board:  For the Board

For the Company:  For the Company

Subject Matter

The arrangement set forth in the above-captioned letter to the Board of the Company, (1) further confirm the arrangement between the Company and the Board, (2) reiterate the terms of the arrangement between the Company and the Board, (3) confirm the arrangement between the Company and the Board, and (4) note the Board's approval of the arrangement.

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the Company

Target Company

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LETTER FROM THE BOARD

(6) The Director who holds the office of Chairman of the Board of Directors of the Corporation.

Payment

The Corporation has a balance of B1,050 million on the 31st day of December 2017.

The first million of B315 million (which is 30% of the Corporation) was paid to the Director who holds the office of Chairman of the Board of Directors of the Corporation on the 31st day of December 2017.

The Corporation has a balance of B315 million (which is 30% of the Corporation) on the 31st day of December 2017. The Corporation has a balance of B315 million (which is 30% of the Corporation) on the 31st day of December 2017.

(1) The Director who holds the office of Chairman of the Board of Directors of the Corporation;

(2) The Director who holds the office of Chairman of the Board of Directors of the Corporation;

(3) The Director who holds the office of Chairman of the Board of Directors of the Corporation;

(4) The Director who holds the office of Chairman of the Board of Directors of the Corporation;

(5) The Director who holds the office of Chairman of the Board of Directors of the Corporation;

(6) The Director who holds the office of Chairman of the Board of Directors of the Corporation.

A copy of this letter is being sent to the Director who holds the office of Chairman of the Board of Directors of the Corporation.

LETTER FROM THE BOARD

Termination

The Articles of Association, Memorandum of Association and the Constitution of the Company shall be amended to provide that the Company shall have the power to terminate the appointment of any Director, Executive Director, Non-Executive Director, Independent Non-Executive Director, Chairman of the Board, or any other office holder of the Company, if the Board is of the opinion that such office holder is unable or unfit to discharge his or her duties, or if the Board is of the opinion that such office holder's conduct is prejudicial to the Company. Such amendments shall be subject to the approval of the shareholders.

3. UNDERTAKINGS BY CHINA FOODS

China Foods (the "Company") hereby undertakes to the shareholders of the Company as follows:

(i) Non-competition Undertaking

The Company hereby undertakes to the shareholders of the Company that the Company will not, and will not cause any of its subsidiaries to, engage in any business that is directly or indirectly competitive with the business of the Company or any of its subsidiaries.

- (1) The Company will not, and will not cause any of its subsidiaries to, employ any person who is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company;
- (2) The Company will not, and will not cause any of its subsidiaries to, employ any person who is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company;
- (3) The Company will not, and will not cause any of its subsidiaries to, employ any person who is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company, if such person is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company, and such person is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company.

For the purpose of the non-competition undertakings, the Company will not, and will not cause any of its subsidiaries to, employ any person who is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company, if such person is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company, and such person is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company.

(ii) Letter of Undertaking

The Company hereby undertakes to the shareholders of the Company that the Company will not, and will not cause any of its subsidiaries to, employ any person who is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company, if such person is or was at any time a director, executive director, non-executive director, independent non-executive director, chairman of the board, or any other office holder of the Company.

LETTER FROM THE BOARD

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4. RELEVANT FORTUNE (E W ~) BRAND TRADEMARKS

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(iii) Product overview

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(iv) Distribution channels

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(v) **Financial information**

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(vi) **Emplo ees**

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LETTER FROM THE BOARD

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for ho ho n n on r .

LETTER FROM THE BOARD

7. GENERAL INFORMATION ON THE PARTIES

The Group

The Group is a company incorporated in the Cayman Islands. The Group's principal activity is the operation of a chain of restaurants. The Group is a public company and its shares are listed on the Hong Kong Stock Exchange. The Group's registered office is at [redacted].

The Purchaser

The Purchaser is a company incorporated in the Cayman Islands. The Purchaser is a private company and its shares are not listed on any stock exchange. The Purchaser's registered office is at [redacted].

China Foods

China Foods is a company incorporated in the Cayman Islands. China Foods is a public company and its shares are listed on the Hong Kong Stock Exchange. China Foods' registered office is at [redacted].

The Vendor

The Vendor is a company incorporated in the Cayman Islands. The Vendor is a private company and its shares are not listed on any stock exchange. The Vendor's registered office is at [redacted].

8. LISTING RULES IMPLICATIONS

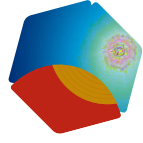
The Acquisition

As a result of the Acquisition, the Purchaser will acquire approximately 5% of the issued shares of China Foods. The Acquisition is a transaction that is not subject to the provisions of Chapter 14 of the Listing Rules.

As a result of the Acquisition, the Purchaser will acquire approximately 58.02% of the issued shares of China Foods. The Vendor is a company that is not listed on any stock exchange. The Vendor's registered office is at [redacted]. The Vendor is a company that is not listed on any stock exchange. The Vendor's registered office is at [redacted].

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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Optima Capital Limited to the Independent Board Committee and the independent shareholders of the Company, which has been prepared for the purpose of inclusion in this circular.



1501, 15th Floor
Scribble House
1 Connors
Center
Houston

20 June 2017

To: The Independent Board Committee and
the independent shareholders of the Company

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the independent financial adviser's report to the Independent Board Committee on the proposed acquisition of the shares of the Company by the Company, which is set out in the Circular, dated 20 June 2017 (the "Circular"), of which a copy is enclosed for your reference. The Circular also sets out the details of the proposed acquisition of the shares of the Company.

On 25 June 2017, the Independent Board Committee (the "IBCM") (the members of which are listed in the Circular) met to discuss the proposed acquisition of the shares of the Company by the Company. The IBCM is a committee of the Board of Directors of the Company. The IBCM is also a committee of the Board of Directors of the Company. The IBCM is also a committee of the Board of Directors of the Company. The IBCM is also a committee of the Board of Directors of the Company.

The proposed acquisition of the shares of the Company by the Company is a connected transaction of the Company. The proposed acquisition of the shares of the Company by the Company is a connected transaction of the Company. The proposed acquisition of the shares of the Company by the Company is a connected transaction of the Company. The proposed acquisition of the shares of the Company by the Company is a connected transaction of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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or in the case of the Government of the
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Committee is the Chairman.

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BASIS OF OUR OPINION

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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In this report, the Independent Financial Adviser ("IFA") has considered the information provided to it by the Company and its directors and has formed its own view on the information provided to it. The IFA has not conducted an independent investigation into the Company's affairs and has not verified the information provided to it. The IFA's opinion is based on the information provided to it and is subject to the limitations set out in this report.

A. INFORMATION ON THE GROUP

1. Principal business of the Group

The Group is a public company listed on the Main Board of the Stock Exchange of Hong Kong. The Group's principal business is as follows:

- (i) the production, processing and distribution of oilseeds (including soybean, rapeseed, sunflower, and cottonseed) and oilseeds products (including soybean oil, rapeseed oil, sunflower oil, and cottonseed oil) (the "Upstream Oilseeds Processing Business");
- (ii) the production of oilseeds products (including soybean oil, rapeseed oil, sunflower oil, and cottonseed oil) (the "Biochemical and Biofuel Business");
- (iii) the production of rice (the "Rice Business");
- (iv) the production of flour (the "Wheat Processing Business");
- (v) the production of malt (the "Brewing Materials Business").

The Group was formed from the merger of China Food Group (the "China Foods Group") in March 2007 and the merger of the Company and its subsidiaries in February 2016, on the basis of the merger agreement entered into between the Company and its subsidiaries. The Group's principal business is as follows:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Financial performance of the Group

For F 2015 n F 2016 (h **FY2016 Annual Report**):

	FY2016 HK\$' million	FY2015 HK\$' million
Revenue	89,163	82,548
<i>Upstream Oilseeds Processing Business</i>	50,434	41,053
<i>Biochemical and Biofuel Business</i>	11,526	14,622
<i>Rice Business</i>	9,196	9,986
<i>Wheat Processing Business</i>	8,946	8,528
<i>Brewing Materials Business</i>	2,685	2,617
<i>Corporate and others</i>	6,376	5,742
Cost of sales	6,243	4,286
Other income	1,530	1,675
Other expenses	(6,284)	(6,177)
Share of profit of associates	296	162
Finance expense	(253)	(323)
Profit/(loss) for the year	1,532	(377)
Profit/(loss) for the year attributable to owners of the Company	1,419	(333)
Earnings per share (EPS) (HK\$)	0.270	(0.063)

The Group's revenue in F 2016 in F 2015 was increased by 8.0% from HK\$82,548 million in F 2015 to HK\$89,163 million in F 2016. The increase in revenue was primarily due to the increase in revenue of the Upstream Oilseeds Processing Business, which contributed 56.6% of the total revenue in F 2016, compared to 49.7% in F 2015. The Biochemical and Biofuel Business contributed 12.7% of the total revenue in F 2016, compared to 17.8% in F 2015. The Rice Business contributed 10.2% of the total revenue in F 2016, compared to 12.1% in F 2015. The Wheat Processing Business contributed 9.9% of the total revenue in F 2016, compared to 10.3% in F 2015. The Brewing Materials Business contributed 3.0% of the total revenue in F 2016, compared to 3.2% in F 2015. The Corporate and others contributed 7.1% of the total revenue in F 2016, compared to 6.9% in F 2015. The Group's profit for the year in F 2016 was HK\$1,532 million, compared to a loss of HK\$377 million in F 2015. The increase in profit was primarily due to the increase in revenue of the Upstream Oilseeds Processing Business, which contributed 56.6% of the total profit in F 2016, compared to 49.7% in F 2015. The Biochemical and Biofuel Business contributed 7.5% of the total profit in F 2016, compared to 17.8% in F 2015. The Rice Business contributed 6.0% of the total profit in F 2016, compared to 12.1% in F 2015. The Wheat Processing Business contributed 5.8% of the total profit in F 2016, compared to 10.3% in F 2015. The Brewing Materials Business contributed 1.7% of the total profit in F 2016, compared to 3.2% in F 2015. The Corporate and others contributed 4.7% of the total profit in F 2016, compared to 6.9% in F 2015. The Group's earnings per share in F 2016 was HK\$0.270, compared to HK\$(0.063) in F 2015.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the 2016 Annual Report, the Group's return on equity rose from 5.2% to 7.0% while the return on assets rose from 1.0% to 1.5% in 2016.

Beneficially, the return on equity of 7.0% is higher than the return on equity of 5.2% of the Group's independent financial adviser for the 2015 financial year. The return on equity of 7.0% is also higher than the return on equity of 5.2% of the Group's independent financial adviser for the 2016 financial year. The return on equity of 7.0% is also higher than the return on equity of 5.2% of the Group's independent financial adviser for the 2016 financial year.

3. Financial position of the Group

The following table shows the financial position of the Group as at 31 December 2016 as reported in the 2016 Annual Report:

	As at 31 December 2016 <i>HK\$' million</i>
Non-current assets	28,576
Property, plant and equipment	21,790
Intangible non-current assets	6,786
Current assets	43,550
Inventories	17,887
Cash and cash equivalents	7,586
Accounts receivable	2,903
Other receivables	15,174
Current liabilities	39,193
Interest-bearing bank and other borrowings	21,594
Accounts payable	3,308
Other liabilities	14,291
Non-current liabilities	2,621
Interest-bearing bank and other borrowings	1,596
Other non-current liabilities	1,025
Total equity	30,312
Equity of owners of the Company (NAV)	26,249
Minority interests	4,063
Reserves (HK\$)	5.0

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 December 2016, the amount of the gross working capital of the Group was () million Hong Kong dollars, net of provisions of approximately HK\$21,790 million; () million Hong Kong dollars, net of provisions of approximately HK\$17,887 million; and () million Hong Kong dollars, net of provisions of approximately HK\$7,586 million. Based on the respective ownership of the Company for FY 2016, the gross working capital of the Group as at 31 December 2016, has increased by 2.0%.

The Group's working capital of the current non-current assets less current liabilities of approximately HK\$23,190 million. The current assets, which include cash and bank balances (including bank deposits), are approximately 59.2% of the gross working capital of the Group as at 31 December 2016, while the current liabilities are approximately 19.4%.

The attributable working capital of the Group as at 31 December 2016 was approximately HK\$5.00 million, which represents 5.4% of the attributable working capital of the Group as at 31 December 2016.

B. INFORMATION ON CHINA FOODS

China Foods (the "CF") (which is a wholly-owned subsidiary of the Company) is a subsidiary of The Sook Exh of Hong Kong Limited (Sook Co : 506). As a subsidiary of China Foods for FY 2016, the CF is a subsidiary of the Company.

() The CF is a subsidiary of the Company, which is a wholly-owned subsidiary of the Company, and the CF is a subsidiary of the Company.

() The CF is a subsidiary of the Company, which is a wholly-owned subsidiary of the Company, and the CF is a subsidiary of the Company.

() The CF is a subsidiary of the Company, which is a wholly-owned subsidiary of the Company, and the CF is a subsidiary of the Company.

C. INFORMATION ON THE TARGET COMPANY AND THE TARGET BUSINESS

1. The Target Company and the Target Business

The China Foods Group has the Target Business since 1993. In 2016, China Foods is a subsidiary of the Company, which is a wholly-owned subsidiary of the Company. The Target Business is a subsidiary of the Company, which is a wholly-owned subsidiary of the Company. The Target Business is a subsidiary of the Company, which is a wholly-owned subsidiary of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Products

The Trademark is a mark of the company, registered in the United Kingdom and in other countries. The mark is a mark of the company, registered in the United Kingdom and in other countries. The mark is a mark of the company, registered in the United Kingdom and in other countries.

The Relevant Fortune (EW) Brand Trademarks

The Trademark is a mark of the company, registered in the United Kingdom and in other countries. The mark is a mark of the company, registered in the United Kingdom and in other countries. The mark is a mark of the company, registered in the United Kingdom and in other countries.

To further the interests of the company, the Trademark is a mark of the company, registered in the United Kingdom and in other countries. The mark is a mark of the company, registered in the United Kingdom and in other countries. The mark is a mark of the company, registered in the United Kingdom and in other countries.

Distribution network

The distribution network of the Trademark is a mark of the company, registered in the United Kingdom and in other countries. The mark is a mark of the company, registered in the United Kingdom and in other countries. The mark is a mark of the company, registered in the United Kingdom and in other countries.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As a result of the Company's, the Target Company's performance in the Class A market, which represents approximately 2% of the Target Company's total sales in 2015, the Company's performance in the Class B market, which represents approximately 278% of the Target Company's total sales in 2015, the Company's performance in the Class C market, which represents approximately 2,000% of the Target Company's total sales in 2015, and the Company's performance in the Class D market, which represents approximately 34,872% of the Target Company's total sales in 2015.

Class of markets	Number of markets identified	Number of markets where the Target Company has presence through its sales outlets	Percentage of coverage of the Target Company
Class A market: The Company's performance in the Class A market, which represents approximately 2% of the Target Company's total sales in 2015.	41	41	100%
Class B market: The Company's performance in the Class B market, which represents approximately 278% of the Target Company's total sales in 2015.	278	278	100%
Class C market: The Company's performance in the Class C market, which represents approximately 2,000% of the Target Company's total sales in 2015.	2,000	1,600	80%
Class D market: The Company's performance in the Class D market, which represents approximately 34,872% of the Target Company's total sales in 2015.	34,872	19,180	55%

2. Financial information of the Target Business

(i) *Financial performance*

The following table summarizes the financial performance of the Target Business for the years ended 31 December 2015 and 31 December 2016. The figures are in RMB million.

	FY2016 RMB' million	FY2015 RMB' million
Revenue	9,279.3	8,199.3
Gross profit	1,041.4	1,003.4
Profit for the year	80.0	93.3

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The independent financial adviser has reviewed the financial information of the Trustee (Trustee) shown in the Board Report of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017.

The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017.

The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017.

The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017. The independent financial adviser has reviewed the financial information of the Company for the year ended 25 March 2017.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Financial position*

The following table shows the financial position of the Target Business as at 31 December 2016, derived from the financial information provided:

	As at 31 December 2016 <i>RMB' million</i>
Non-current assets	3.8
Property, plant and equipment	3.2
Intangible non-current assets	0.6
Current assets	2,287.2
Inventory	1,286.0
Accounts receivable	307.0
Prepayments	414.2
Cash and cash equivalents	188.6
Other current assets	91.4
Current liabilities	2,248.3
Accounts payable	1,568.0
Other current liabilities	680.3
Non-current liabilities	
NAV of the Target Business	42.7

As at 31 December 2016, the net assets of the Target Business are RMB 42.7 million (equivalent to HK\$ 42.7 million); of which RMB 3.8 million (equivalent to HK\$ 3.8 million) are non-current assets, RMB 2,287.2 million (equivalent to HK\$ 2,287.2 million) are current assets, RMB 2,248.3 million (equivalent to HK\$ 2,248.3 million) are current liabilities, and there are no non-current liabilities. The net assets of the Target Business as at 31 December 2016, however, represent 4.3% of the net assets of the Target Business as at 31 December 2015.

The Target Business's net assets of RMB 42.7 million (equivalent to HK\$ 42.7 million) are primarily composed of RMB 3.8 million (equivalent to HK\$ 3.8 million) of non-current assets and RMB 38.9 million (equivalent to HK\$ 38.9 million) of current assets. The Target Business has no non-current liabilities or borrowings.

As at 31 December 2016, the net assets of the Target Business are RMB 42.7 million (equivalent to HK\$ 42.7 million) (equivalent to HK\$ 42.7 million). The net assets of the Target Business as at 31 December 2016, however, represent 229.7% of the net assets of the Target Business as at 31 December 2015, which shows a significant increase in the net assets of the Target Business.

D. REASONS FOR AND BENEFITS OF THE ACQUISITION

As a result of the acquisition, the Group's growth has been significantly enhanced. The Group's revenue has increased from US\$1.2 billion in 2007 to US\$2.1 billion in 2008. The Group's operating profit has increased from US\$0.2 billion in 2007 to US\$0.4 billion in 2008. The Group's net profit has increased from US\$0.1 billion in 2007 to US\$0.2 billion in 2008. The Group's cash and cash equivalents have increased from US\$0.5 billion in 2007 to US\$0.8 billion in 2008. The Group's working capital has increased from US\$0.3 billion in 2007 to US\$0.5 billion in 2008. The Group's debt has increased from US\$0.2 billion in 2007 to US\$0.3 billion in 2008. The Group's equity has increased from US\$0.5 billion in 2007 to US\$0.8 billion in 2008. The Group's return on equity has increased from 15% in 2007 to 20% in 2008. The Group's return on assets has increased from 10% in 2007 to 12% in 2008. The Group's return on capital employed has increased from 12% in 2007 to 15% in 2008. The Group's operating leverage has increased from 1.2 in 2007 to 1.5 in 2008. The Group's financial leverage has increased from 0.4 in 2007 to 0.5 in 2008. The Group's debt-to-equity ratio has increased from 0.4 in 2007 to 0.5 in 2008. The Group's debt-to-capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008. The Group's debt-to-adjusted capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008. The Group's debt-to-adjusted net capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008. The Group's debt-to-adjusted net capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008.

The acquisition has resulted in the following benefits:

- 1. Transformational integration of the edible oil business:** The acquisition has resulted in the following benefits:
 - The Group's revenue has increased from US\$1.2 billion in 2007 to US\$2.1 billion in 2008.
 - The Group's operating profit has increased from US\$0.2 billion in 2007 to US\$0.4 billion in 2008.
 - The Group's net profit has increased from US\$0.1 billion in 2007 to US\$0.2 billion in 2008.
 - The Group's cash and cash equivalents have increased from US\$0.5 billion in 2007 to US\$0.8 billion in 2008.
 - The Group's working capital has increased from US\$0.3 billion in 2007 to US\$0.5 billion in 2008.
 - The Group's debt has increased from US\$0.2 billion in 2007 to US\$0.3 billion in 2008.
 - The Group's equity has increased from US\$0.5 billion in 2007 to US\$0.8 billion in 2008.
 - The Group's return on equity has increased from 15% in 2007 to 20% in 2008.
 - The Group's return on assets has increased from 10% in 2007 to 12% in 2008.
 - The Group's return on capital employed has increased from 12% in 2007 to 15% in 2008.
 - The Group's operating leverage has increased from 1.2 in 2007 to 1.5 in 2008.
 - The Group's financial leverage has increased from 0.4 in 2007 to 0.5 in 2008.
 - The Group's debt-to-equity ratio has increased from 0.4 in 2007 to 0.5 in 2008.
 - The Group's debt-to-capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008.
 - The Group's debt-to-adjusted capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008.
 - The Group's debt-to-adjusted net capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008.
- 2. Extensive distribution network:** The acquisition has resulted in the following benefits:
 - The Group's revenue has increased from US\$1.2 billion in 2007 to US\$2.1 billion in 2008.
 - The Group's operating profit has increased from US\$0.2 billion in 2007 to US\$0.4 billion in 2008.
 - The Group's net profit has increased from US\$0.1 billion in 2007 to US\$0.2 billion in 2008.
 - The Group's cash and cash equivalents have increased from US\$0.5 billion in 2007 to US\$0.8 billion in 2008.
 - The Group's working capital has increased from US\$0.3 billion in 2007 to US\$0.5 billion in 2008.
 - The Group's debt has increased from US\$0.2 billion in 2007 to US\$0.3 billion in 2008.
 - The Group's equity has increased from US\$0.5 billion in 2007 to US\$0.8 billion in 2008.
 - The Group's return on equity has increased from 15% in 2007 to 20% in 2008.
 - The Group's return on assets has increased from 10% in 2007 to 12% in 2008.
 - The Group's return on capital employed has increased from 12% in 2007 to 15% in 2008.
 - The Group's operating leverage has increased from 1.2 in 2007 to 1.5 in 2008.
 - The Group's financial leverage has increased from 0.4 in 2007 to 0.5 in 2008.
 - The Group's debt-to-equity ratio has increased from 0.4 in 2007 to 0.5 in 2008.
 - The Group's debt-to-capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008.
 - The Group's debt-to-adjusted capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008.
 - The Group's debt-to-adjusted net capitalization ratio has increased from 0.4 in 2007 to 0.5 in 2008.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Payment and conditions precedent*

The Corporation will hereby pay to the Vendor of the Shares in full the sum of:

(1) The first sum of B315 million (i.e. 30% of the total consideration) to be paid to the Vendor on or before the date of the completion of the sale of the Shares to the Vendor on the terms and conditions of the Share Purchase Agreement.

(2) The second sum of B315 million (i.e. 30% of the total consideration) to be paid to the Vendor on or before the date of the completion of the sale of the Shares to the Vendor on the terms and conditions of the Share Purchase Agreement, subject to the completion of the relevant conditions precedent, including the completion of the relevant regulatory requirements, and the completion of the relevant conditions precedent, including the completion of the relevant regulatory requirements, and the completion of the relevant conditions precedent, including the completion of the relevant regulatory requirements.

(3) The third sum of B420 million (i.e. 40% of the total consideration) to be paid to the Vendor on or before the date of the completion of the sale of the Shares to the Vendor on the terms and conditions of the Share Purchase Agreement, subject to the completion of the relevant conditions precedent, including the completion of the relevant regulatory requirements, and the completion of the relevant conditions precedent, including the completion of the relevant regulatory requirements.

(iii) *Consideration*

The total consideration payable to the Vendor is B1,050 million. The total consideration payable to the Vendor is B1,050 million. The total consideration payable to the Vendor is B1,050 million.

(iv) *Undertakings by China Foods*

As a condition of the agreement, China Foods shall ensure that the Company does not engage in any business that is in competition with the Company or its subsidiaries, or own or hold any interest in any business that is in competition with the Company or its subsidiaries. China Foods shall ensure that the Company does not engage in any business that is in competition with the Company or its subsidiaries, or own or hold any interest in any business that is in competition with the Company or its subsidiaries.

(v) *Completion*

The Company shall complete the transaction when the Transaction is completed and the Company shall ensure that the transaction is completed in accordance with the terms of the agreement.

In the event that the Company is unable to complete the transaction, the Company shall ensure that the transaction is completed in accordance with the terms of the agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Compan name	Stock code	Businesses	Market Capitalisation (Note 1) HK\$' million	PE Ratio (Note 2) Times	Adjusted PE Ratio (Note 2) Times
<p> Sincere Group (Hong Kong) Limited </p>	411.H	<p> Investment and holding of real estate, food and beverage, and other services. </p>	2,633.1	9.9	9.9
<p> China Food Company Limited </p>	1006.H	<p> Production of ornamental, non-ferrous metal products; other metal products; metal machinery, metal machinery parts, metal machinery accessories, metal machinery components; metal machinery. </p>	2,282.8	7.6	7.6
<p> Wynn Resorts Limited (Note 3) </p>	000639.ZS	<p> Production of ornamental, metal machinery, metal machinery parts, metal machinery accessories, metal machinery components, non-ferrous metal products, metal machinery. </p>	9,875.9	56.7	29.1
<p> Doon Group Limited (Note 4) </p>	002852.ZS	<p> Production of metal machinery. </p>	9,172.5	29.0	14.9
<p> Hannan Cracker (Note 5) </p>	600127.HS	<p> Investment and holding of real estate, metal machinery, food, beverage, and other services. </p>	4,127.0	474.4	392.5
<p> Wulin Iron and Steel (Note 6) </p>	Wulin Iron and Steel	<p> Investment and holding of real estate, metal machinery, metal machinery parts, metal machinery accessories, metal machinery components, non-ferrous metal products, metal machinery. </p>	125,826.2	14.7	15.4
			n (Note 5)	23.6	15.4
			n (Note 5)	14.7	14.9
			x n n (Note 5)	56.7	29.1
			n n n	7.6	7.6

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Market Capitalisation <i>(Note 1)</i> HK\$' million	PE Ratio <i>(Note 2)</i> Times	Adjusted PE Ratio <i>(Note 2)</i> Times
1. The E o of h Con r on on h F 2016 rof	B1,050	13.1	13.1
2. The E o of h Con r on on h F 2016 A rof (h Implied PE Ratio)	B1,050	10.7	10.7

Source: Bloomberg and the Stock Exchange

Notes:

1. The market capitalisation is based on the closing price of the Shares on Bloomberg.
2. The E o of h Con r on on (Kerr), which is based on the market capitalisation of the Company as at the end of the reporting period. The E o of h Con r on on is based on the market capitalisation of the Company as at the end of the reporting period.
3. The E o of h Con r on on (Kerr), which is based on the market capitalisation of the Company as at the end of the reporting period. The E o of h Con r on on is based on the market capitalisation of the Company as at the end of the reporting period.
4. The E o of h Con r on on (Kerr), which is based on the market capitalisation of the Company as at the end of the reporting period. The E o of h Con r on on is based on the market capitalisation of the Company as at the end of the reporting period.
5. The E o of h Con r on on (Kerr), which is based on the market capitalisation of the Company as at the end of the reporting period. The E o of h Con r on on is based on the market capitalisation of the Company as at the end of the reporting period.
6. The E o of h Con r on on (Kerr), which is based on the market capitalisation of the Company as at the end of the reporting period. The E o of h Con r on on is based on the market capitalisation of the Company as at the end of the reporting period.

As a result, the E o of h Con r on on (Kerr), which is based on the market capitalisation of the Company as at the end of the reporting period, is 10.7 times, which is within the Comparable Range, with the market capitalisation of the Company as at the end of the reporting period being 15.4 times and 14.9 times, respectively.

The E o of h Con r on on (Kerr), which is based on the market capitalisation of the Company as at the end of the reporting period, is 10.7 times, which is within the Comparable Range, with the market capitalisation of the Company as at the end of the reporting period being 15.4 times and 14.9 times, respectively.

Based on the above, we consider the Con r on on (Kerr) to be reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

G. FINANCIAL EFFECT OF THE ACQUISITION

1. Earnings

Following the completion of the Transaction, the Company will own 100% of the Group, and the financial results of the Group will be reported in the consolidated financial statements of the Company. The Group's revenue for the period ended 31 December 2016 was \$229.7 million, which represents an increase of 5.4% from the corresponding period of the Transaction. The Group's operating profit for the period ended 31 December 2016 was \$6.5 million, or 6.5% of the Group's revenue, compared to \$0.27 million, or 0.27% of the Group's revenue, for the corresponding period of the Transaction.

2. Effect on gearing

The Group's net debt to capitalization ratio at 30 June 2016 was 70%, compared to 70% at 30 June 2015. The Group's net debt to capitalization ratio at 31 December 2016 was 59.2%, compared to 62.4% at 31 December 2015. The Group's net debt to capitalization ratio at 31 December 2016 was 59.2%, compared to 62.4% at 31 December 2015.

3. NAV

The NAV of the Transaction at 31 December 2016 was \$42.7 million, compared to \$49.3 million at 31 December 2015. The NAV of the Transaction at 31 December 2016 was \$42.7 million, compared to \$49.3 million at 31 December 2015. The NAV of the Transaction at 31 December 2016 was \$42.7 million, compared to \$49.3 million at 31 December 2015.

The NAV of the Transaction at 31 December 2016 was \$42.7 million, compared to \$49.3 million at 31 December 2015. The NAV of the Transaction at 31 December 2016 was \$42.7 million, compared to \$49.3 million at 31 December 2015.

4. Working capital

As at the end of the year 31 December 2016, the Company has a working capital of HK\$90.0 million. The working capital is composed of cash and cash equivalents of HK\$7,586 million, trade receivables of HK\$23,190 million, trade payables of HK\$598.8 million, and other receivables of HK\$1,050 million (including other receivables of HK\$1,212.2 million) which is financed by 30% of working capital and 70% borrowings, with a net working capital of HK\$90 million.

RECOMMENDATION

The Board of Directors, after considering the financial position, performance and prospects of the Company, the interests of the shareholders, and the views of the independent non-executive directors, recommends that the shareholders should approve the proposed dividend of HK\$0.05 per share for the year ended 31 December 2016.

Unless the context requires otherwise, all amounts in RMB are translated into HK\$ at an exchange rate of RMB1:HK\$1.1545. Such translation should not be construed as a representation that the amount in question has been, could have been or could be converted at an particular rate at all.

For and on behalf of
OPTIMA CAPITAL LIMITED
Ng Ka Po
Senior Director

Mr. Ng Ka Po is licensed person and responsible officer of Optima Capital Limited registered with the SFC to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) of the SFC regulated activities under the Securities and Futures Ordinance (Cap. 571) and the Securities and Futures Commission (SFC) Rules.

Interests in shares of associated corporation

Name	Name of associated corporation	Capacity	Number of shares held in long position	Percentage (Note 4)
A G Hon	o C r o r	B n f o w n r	10,000	0.00%

Notes:

1. The number of shares held by the company in the name of the company is 47 of 50 of the company's 2016 net income.
2. The number of shares held by the company in the name of the company is 5,249,880,788 shares.
3. 235,364 shares were held by the company in the name of the company.
4. The number of shares held by the company in the name of the company is 14,231,124,858 shares.

o S h n o h r D o n r h D .

3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS

A h r D , h f o w n r o n o r n (n o n D r o r o r h f x of h Co. n) h n r o r h o o n n h h r o r n r n h r of h Co. n r o r n h r r k h Co. n n r o n 336 of h S :

Name	Capacity	Number of shares held (Note 1)	Percentage (Note 2)
W S r Ho n	B n f o w n r	2,681,315,430	51.07%
C F C (Hon on)	B n f o w n r	364,790,827	6.95%
	n r of on ro or or on (Note 3)	2,681,315,430	51.07%
C F C Cor or on	n r of on ro or or on (Note 4)	3,046,106,257	58.02%

Notes:

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4. DIRECTORS' SERVICE CONTRACTS

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5. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

A h r D , non of h Dr or h n r or n r n r n n wh h h n 31 D . r 2016, n h o wh h h h on o f n n . n of h Gro wr . , n r or o of or o n . r of h Gro , or wr ro o o r , o of or o n . r of h Gro .

A h r D , non of h Dr or wr . r n r , r or n r , n n n on r or r n . n n r n o n . r of h Gro wh h w n f n n r on o h n of h Gro .

6. LITIGATION

A of h r D , h r w no on or . of . r . or n known o h Dr or o n n or hr n n n . r of h Gro .

7. COMPETING INTERESTS

Under Article 8.10 of the Charter, the following Director of the Commission on the part of which he or she is a member of the Group:

1. The Director of COFCO. In addition, the Director of COFCO in its capacity as a member of the Commission.

COFCO has the following interests:

- (1) COFCO Biochemical (Anhui) Co., Ltd. (COFCO Biochemical), which is a wholly owned subsidiary of the Commission. COFCO Biochemical is a member of the Group of the Commission, of which it is a member of the Group of the Commission.
- (2) COFCO Agri (COFCO Agri), which is a wholly owned subsidiary of the Commission in China.

COFCO Agri is a member of the Group of the Commission. It is a wholly owned subsidiary of the Commission. It is a member of the Group of the Commission. It is a member of the Group of the Commission.

Grain & Oil, which is a wholly owned subsidiary of the Commission. It is a member of the Group of the Commission. It is a member of the Group of the Commission. It is a member of the Group of the Commission.

of the Commission, which is a wholly owned subsidiary of the Commission.

of the Commission, which is a wholly owned subsidiary of the Commission.

8. MATERIAL ADVERSE CHANGE

There were no material adverse changes in the financial position of the Group in 2016, which is a wholly owned subsidiary of the Commission.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the information of each person who has been retained for this project:

Name	Qualification
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11. DOCUMENTS AVAILABLE FOR INSPECTION

Company of the following documents for information normally held by the Commission's secretariat, 31 Floor, CFC Tower, 262 George Street, New York, Honorary members of the Commission of the European Communities:

- (1) the Articles;
- (2) the Rules of Procedure;
- (3) the non-official records;
- (4) the "Trustmark" in Contract;
- (5) the "Trustmark" on Articles;
- (6) the records from the Internal Board Commission, the six of which are on 20 of the records;
- (7) the records from the IFA, the six of which are on 21 to 38 of the records;
- (8) the records of operations from the IFA referred to in the order of the Executive Committee of the Commission in the annex; and
- (9) the records.

NOTICE OF THE EGM

Notes:

1. The resolution of the Board of Directors of the Company in relation to the proposed amendments to the Memorandum and Articles of Association of the Company is hereby approved.
2. The resolution of the Board of Directors of the Company in relation to the proposed amendments to the Memorandum and Articles of Association of the Company is hereby approved. The resolution of the Board of Directors of the Company in relation to the proposed amendments to the Memorandum and Articles of Association of the Company is hereby approved. The resolution of the Board of Directors of the Company in relation to the proposed amendments to the Memorandum and Articles of Association of the Company is hereby approved.
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7. The resolution of the Board of Directors of the Company in relation to the proposed amendments to the Memorandum and Articles of Association of the Company is hereby approved.

As at the date of this notice, the Board comprises: Mr. YU Xubo as chairman of the Board and non-executive director; Mr. DONG Wei, Ms. YANG Hong and Mr. SHI Bo as executive directors; Mr. LI Jian and Mr. JIA Peng as non-executive directors; and Mr. LAM Wai Hon, Ambrose, Mr. Patrick Vincent VIZZONE and Mr. ONG Teck Chee as independent non-executive directors.