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

▲ *Act* means the Companies Act, 2013 and the Companies (Amendment) Act, 2017.

▲ *Articles* means the Articles of Association of the Company.



LETTER FROM THE BOARD

The Board of Directors of the Corporation, (1) hereby approves the Agreement with the Association, (2) hereby approves the Board of Directors of the Association, (3) hereby approves the Board of Directors of the Corporation, and (4) hereby approves the Board of Directors of the Corporation.

2. THE AGREEMENT

The Agreement with the Association is as follows:

Date

25 / / 2017

Parties

Party 1: CFC Financial Services, Inc.

Party 2: CFC Financial Services, Inc. & Directors of CFC, Inc.

Subject Matter

The Agreement with the Association, hereby approved by the Board of Directors of the Corporation, the Board of Directors of the Association, the Board of Directors of the Corporation, and the Board of Directors of the Corporation, is hereby approved by the Board of Directors of the Corporation.

LETTER FROM THE BOARD

Consideration

The Board of Directors of the Corporation, hereinafter referred to as the "Board," has considered the proposal of the Corporation, hereinafter referred to as the "Company," to purchase the shares of the Corporation, hereinafter referred to as the "Shares," for the purpose of the following:

- (1) The purchase of the Shares for the purpose of the following: 31 D. 2015 and 2016;
- (2) The purchase of the Shares for the purpose of the following: ;
- (3) The purchase of the Shares for the purpose of the following: ;
- (4) The purchase of the Shares for the purpose of the following: of 550,000 of the Corporation, hereinafter referred to as the "Corporation," for the purpose of the following: ; and
- (5) The purchase of the Shares for the purpose of the following: of the Corporation, hereinafter referred to as the "Corporation," for the purpose of the following:

The Board of Directors of the Corporation, hereinafter referred to as the "Board," has considered the proposal of the Corporation, hereinafter referred to as the "Company," to purchase the Shares of the Corporation, hereinafter referred to as the "Shares," for the purpose of the following:

The Board of Directors of the Corporation, hereinafter referred to as the "Board," has considered the proposal of the Corporation, hereinafter referred to as the "Company," to purchase the Shares of the Corporation, hereinafter referred to as the "Shares," for the purpose of the following:

- (1) The purchase of the Shares for the purpose of the following: ;
- (2) The purchase of the Shares for the purpose of the following: of 1993 ;
- (3) The purchase of the Shares for the purpose of the following: ;
- (4) The purchase of the Shares for the purpose of the following: 100% of the Corporation, hereinafter referred to as the "Corporation," for the purpose of the following: ;
- (5) The purchase of the Shares for the purpose of the following: of the Corporation, hereinafter referred to as the "Corporation," for the purpose of the following:

LETTER FROM THE BOARD

- (6) The Director shall report to the Board of the Authority the results of the Authority's annual audit of the accounts of the Authority.

Payment

The Chairman shall pay B1,050,000.00 to the Director for the year 2017.

The Director shall pay B315,000.00 (representing 30% of the Chairman's salary) to the Director for the year 2017. The Director shall also pay B315,000.00 (representing 30% of the Chairman's salary) to the Director for the year 2017. The Director shall also pay B315,000.00 (representing 30% of the Chairman's salary) to the Director for the year 2017.

The Director shall also pay B315,000.00 (representing 30% of the Chairman's salary) to the Director for the year 2017. The Director shall also pay B315,000.00 (representing 30% of the Chairman's salary) to the Director for the year 2017. The Director shall also pay B315,000.00 (representing 30% of the Chairman's salary) to the Director for the year 2017.

- (1) The Director shall report to the Board of the Authority the results of the Authority's annual audit of the accounts of the Authority;
- (2) The Director shall report to the Board of the Authority the results of the Authority's annual audit of the accounts of the Authority;
- (3) The Director shall report to the Board of the Authority the results of the Authority's annual audit of the accounts of the Authority;
- (4) The Director shall report to the Board of the Authority the results of the Authority's annual audit of the accounts of the Authority;
- (5) The Director shall report to the Board of the Authority the results of the Authority's annual audit of the accounts of the Authority;
- (6) The Director shall report to the Board of the Authority the results of the Authority's annual audit of the accounts of the Authority;

A copy of the Director's Report (1) and (5) shall be submitted to the Board of the Authority.

LETTER FROM THE BOARD

Termination

The Agreement shall be terminated automatically if the Company has not received the necessary approvals from the relevant authorities in the PRC to complete the acquisition of the shares of the Target Company within the period specified in the Agreement. The Agreement shall be terminated automatically if the Company has not received the necessary approvals from the relevant authorities in the PRC to complete the acquisition of the shares of the Target Company within the period specified in the Agreement.

3. UNDERTAKINGS BY CHINA FOODS

China Foods Limited (the "Company"), the parent company of China Foods (UK) Limited (the "UK Subsidiary"), hereby undertakes to the Board of Directors of the Target Company as follows:

(i) Non-competition Undertaking

China Foods Limited, the parent company of China Foods (UK) Limited, the parent company of the UK Subsidiary, hereby undertakes to the Board of Directors of the Target Company as follows:

- (1) China Foods Limited shall not, directly or indirectly, engage in any business that is in competition with the Target Company;
- (2) China Foods Limited shall not, directly or indirectly, engage in any business that is in competition with the Target Company;
- (3) China Foods Limited shall not, directly or indirectly, engage in any business that is in competition with the Target Company.

Further to the above, China Foods Limited, the parent company of the UK Subsidiary, hereby undertakes to the Board of Directors of the Target Company as follows:

(ii) Letter of Undertaking

China Foods Limited, the parent company of the UK Subsidiary, hereby undertakes to the Board of Directors of the Target Company as follows:

LETTER FROM THE BOARD

4. RELEVANT “FORTUNE” (E W ~) BRAND TRADEMARKS

The Registered Trademark License Contract

_____ CFC _____ Trademark License Contract _____ CFC _____ Trademark License Contract _____ Fortune (E W ~) Brand Trademark License Contract _____:

- (1) CFC _____ Trademark License Contract _____;
- (2) _____ Fortune (E W ~) Brand Trademark License Contract _____.

The Fortune (E W ~) Brand Trademark License Contract _____ CFC _____ Fortune (E W ~) Brand Trademark License Contract _____:

- (1) The Fortune (E W ~) Brand Trademark License Contract _____ 0.02% _____ Fortune (E W ~) Brand Trademark License Contract _____.
- (2) The Fortune (E W ~) Brand Trademark License Contract _____.

The Fortune (E W ~) Brand Trademark License Contract _____

The Fortune (E W ~) Brand Trademark License Contract _____ 25 _____ 2017, 31 December 2020.

_____ CFC _____ Fortune (E W ~) Brand Trademark License Contract _____

The Trademarks Option Agreement

_____ CFC _____ Fortune (E W ~) Brand Trademark License Contract _____

- (1) _____ Fortune (E W ~) Brand Trademark License Contract _____ CFC _____ Fortune (E W ~) Brand Trademark License Contract _____;
- (2) _____ CFC _____ Fortune (E W ~) Brand Trademark License Contract _____.

LETTER FROM THE BOARD

(v) Financial information

The following table shows the financial performance of the Group for the year ended 31 December 2015 and 2016. The financial performance of the Group for the year ended 31 December 2016 is RMB42,739,000.

	For the year ended 31 December 2016 <i>(approximately RMB thousand)</i>	For the year ended 31 December 2015 <i>(approximately RMB thousand)</i>
Revenue	9,279,253	8,199,298
Group profit	1,041,438	1,003,358
Profit attributable to equity holders of the Company	80,055	93,341
Profit attributable to equity holders of the Company	80,055	93,341

Note: The financial performance of the Group for the year ended 31 December 2015 and 2016 is audited by the independent member of our audit firm.

(vi) Employees

There were approximately 1,400 employees of the Group as at 31 December 2016. The Group has a number of employees who are employed by the Group's subsidiaries.

(vii) Industry overview

The Group is primarily engaged in the provision of financial services in the People's Republic of China. The Group's operations are primarily conducted through its subsidiaries, including the Group's wholly-owned subsidiaries, the Group's joint venture subsidiaries, and the Group's associate companies. The Group's operations are primarily conducted through its subsidiaries, including the Group's wholly-owned subsidiaries, the Group's joint venture subsidiaries, and the Group's associate companies.

The Group's operations are primarily conducted through its subsidiaries, including the Group's wholly-owned subsidiaries, the Group's joint venture subsidiaries, and the Group's associate companies.

LETTER FROM THE BOARD

Extensive sales network nationwide

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Right to use the "Fortune" (E W ~) brand

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LETTER FROM THE BOARD

7. GENERAL INFORMATION ON THE PARTIES

The Group

The Group comprises the following entities: (i) the Company, a public company incorporated in the Cayman Islands; (ii) the Company's wholly owned subsidiaries, including the Company's wholly owned subsidiaries in the People's Republic of China, the Cayman Islands, the United States of America, the British Virgin Islands, the Hong Kong Special Administrative Region of the People's Republic of China, and the United Kingdom; and (iii) the Company's associates.

The Purchaser

The Purchaser is the wholly owned subsidiary of the Company, a public company incorporated in the Cayman Islands.

China Foods

China Foods is a Hong Kong company (Company No: 506). The Purchaser is a wholly owned subsidiary of China Foods, a public company incorporated in the Cayman Islands.

The Vendor

The Vendor is a public company incorporated in the Cayman Islands, a wholly owned subsidiary of China Foods, a public company incorporated in the Cayman Islands. The Vendor is a wholly owned subsidiary of the Company, a public company incorporated in the Cayman Islands. The Vendor is a wholly owned subsidiary of the Company, a public company incorporated in the Cayman Islands.

8. LISTING RULES IMPLICATIONS

The Acquisition

As a result of the acquisition, the Purchaser will own 5% of the issued shares of the Company, which is less than 10%. The Company is a public company incorporated in the Cayman Islands. The Company is a public company incorporated in the Cayman Islands. The Company is a public company incorporated in the Cayman Islands. The Company is a public company incorporated in the Cayman Islands.

As a result of the acquisition, the Purchaser will own 58.02% of the issued shares of the Company, which is more than 10%. The Purchaser is a public company incorporated in the Cayman Islands. The Purchaser is a public company incorporated in the Cayman Islands. The Purchaser is a public company incorporated in the Cayman Islands. The Purchaser is a public company incorporated in the Cayman Islands.

LETTER FROM THE BOARD

Registered Trademark License Contract

Between the Company and the American Football Club, a member of the NFL, for the use of the trademarks of the Company in connection with the American Football Club's operations.

The American Football Club has agreed to license to the Company the use of the trademarks of the American Football Club in connection with the Company's operations. The license is granted for a term of ten (10) years, beginning on the date of the execution of this license agreement. The license is non-exclusive and non-transferable. The American Football Club shall retain all rights in and to the trademarks of the American Football Club. The Company shall not use the trademarks of the American Football Club in connection with any other business or product. The American Football Club shall have the right to terminate this license agreement if the Company fails to pay the license fee of 0.1% of the Company's net sales for the preceding year. The license fee shall be paid quarterly in advance. The American Football Club shall have the right to audit the Company's books and records to verify the accuracy of the license fee payments. The American Football Club shall have the right to sue for damages if the Company infringes on the trademarks of the American Football Club.

Trademarks Option Agreement

Under Article 14A.24(2), the American Football Club has agreed to grant to the Company an option to purchase the trademarks of the American Football Club for a term of ten (10) years, beginning on the date of the execution of this option agreement.

Under Article 14A.79(2), the American Football Club has agreed to grant to the Company an option to purchase the trademarks of the American Football Club for a term of ten (10) years, beginning on the date of the execution of this option agreement. The option is exercisable at any time during the term of the option agreement. The purchase price for the trademarks shall be determined by the American Football Club. The American Football Club shall have the right to terminate this option agreement if the Company fails to exercise the option within the term of the option agreement. The American Football Club shall have the right to sue for damages if the Company infringes on the trademarks of the American Football Club.

9. EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of the American Football Club shall be held on the date and at the place determined by the American Football Club.

The American Football Club has agreed to grant to the Company an option to purchase the trademarks of the American Football Club for a term of ten (10) years, beginning on the date of the execution of this option agreement. The option is exercisable at any time during the term of the option agreement. The purchase price for the trademarks shall be determined by the American Football Club. The American Football Club shall have the right to terminate this option agreement if the Company fails to exercise the option within the term of the option agreement. The American Football Club shall have the right to sue for damages if the Company infringes on the trademarks of the American Football Club.

The American Football Club has agreed to grant to the Company an option to purchase the trademarks of the American Football Club for a term of ten (10) years, beginning on the date of the execution of this option agreement. The option is exercisable at any time during the term of the option agreement. The purchase price for the trademarks shall be determined by the American Football Club. The American Football Club shall have the right to terminate this option agreement if the Company fails to exercise the option within the term of the option agreement. The American Football Club shall have the right to sue for damages if the Company infringes on the trademarks of the American Football Club.



CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
中國糧油控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 606)

20 June 2017

To the independent shareholders of the Company

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

The Independent Board Committee (the "IBCO") of China Agri-Industries Holdings Limited (the "Company") has reviewed the proposed transaction (the "Transaction") between the Company and the related parties (the "Related Parties") as disclosed in the Circular dated 20 June 2017 (the "Circular"), and the related parties' responses to the questions raised in the Circular. The IBCO has concluded that the Transaction is in the interests of the Company and its independent shareholders.

Having reviewed the related parties' responses to the questions raised in the Circular, the IBCO is satisfied that the Transaction is in the interests of the Company and its independent shareholders. The IBCO has also reviewed the related parties' responses to the questions raised in the Circular, and is satisfied that the Transaction is in the interests of the Company and its independent shareholders. The IBCO has also reviewed the related parties' responses to the questions raised in the Circular, and is satisfied that the Transaction is in the interests of the Company and its independent shareholders.

Yours faithfully,

For and on behalf of the IBCO:
LAM Wai Hon, Ambrose
Independent
Non-executive Director

Patrick Vincent VIZZONE
Independent
Non-executive Director

ONG Teck Chye
Independent
Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

The Independent Financial Adviser has considered the information provided to it by the Group and has formed the following conclusions:

A. INFORMATION ON THE GROUP

1. Principal business of the Group

The Group, through its subsidiaries, is principally engaged in the following principal businesses:

- (i) upstream oilseeds processing business. The Group's upstream oilseeds processing business is principally engaged in the upstream oilseeds processing business in China, including the production and processing of soybean oilseeds, rapeseed oilseeds, sunflower oilseeds, etc. (collectively, "Upstream Oilseeds Processing Business");
- (ii) biochemical and biofuel business. The Group's biochemical and biofuel business is principally engaged in the production and processing of biochemical products, including ethanol, glycerol, etc. (collectively, "Biochemical and Biofuel Business");
- (iii) rice business;
- (iv) wheat processing business; and
- (v) brewing materials business.

The Group is a constituent of the China Food and Beverage Index (the "China Foods Group"), and in 2007, the Group was included in the China Food and Beverage Index 2016, which is a constituent of the China Food and Beverage Index. The Group's principal business is the production and processing of upstream oilseeds, biochemical and biofuel products, rice, wheat, and brewing materials. The Group's principal business is the production and processing of upstream oilseeds, biochemical and biofuel products, rice, wheat, and brewing materials.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Financial performance of the Group

The following table sets out the Group's financial performance for FY2016 and FY2015 as reported in the Group's FY2016 Annual Report:

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

The Group's revenue in FY2016 as compared to FY2015 increased by 8.0% from HK\$82,548 million to HK\$89,163 million. The increase in revenue was primarily due to the increase in sales of the Upstream Oilseeds Processing Business, which contributed 56.6% of the Group's revenue in FY2016 as compared to 49.7% in FY2015. The increase in sales of the Upstream Oilseeds Processing Business was primarily due to the increase in sales of the Group's Biochemical and Biofuel Business, which contributed 21.2% of the Group's revenue in FY2016 as compared to 13.2% in FY2015. The increase in sales of the Biochemical and Biofuel Business was primarily due to the increase in sales of the Group's Biochemical and Biofuel Business, which contributed 22.9% of the Group's revenue in FY2016 as compared to 11.0% in FY2015. The increase in sales of the Biochemical and Biofuel Business was primarily due to the increase in sales of the Group's Biochemical and Biofuel Business, which contributed 22.9% of the Group's revenue in FY2016 as compared to 11.0% in FY2015. The increase in sales of the Biochemical and Biofuel Business was primarily due to the increase in sales of the Group's Biochemical and Biofuel Business, which contributed 22.9% of the Group's revenue in FY2016 as compared to 11.0% in FY2015.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the end of the year, the Group's return on equity was 5.2%, compared with 7.0% in the year ended 31 December 2015. The Group's return on equity for the year ended 31 December 2016 was 5.2%.

The Group's return on equity for the year ended 31 December 2016 was 5.2%, compared with 7.0% in the year ended 31 December 2015. The Group's return on equity for the year ended 31 December 2016 was 5.2%.

3. Financial position of the Group

The following table shows the financial position of the Group as at 31 December 2016 compared with the year ended 31 December 2015:

	As at 31 December 2016 <i>HK\$' million</i>
Non-current assets	28,576
Property, plant and equipment	21,790
Intangible assets	6,786
Current assets	43,550
Equity investments	17,887
Trade receivables	7,586
Accounts receivable	2,903
Other receivables	15,174
Current liabilities	39,193
Trade payables	21,594
Accounts payable	3,308
Other payables	14,291
Non-current liabilities	2,621
Trade payables	1,596
Other payables	1,025
Total equity	30,312
Equity investments	26,249
Other equity investments	4,063
Assets per share (HK\$)	5.0

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 December 2016, the Group's total assets, net of liabilities, were HK\$21,790 million. The Group's total assets, net of liabilities, were HK\$17,887 million as at 31 December 2015. The Group's total assets, net of liabilities, were HK\$7,586 million as at 31 December 2014. The Group's total assets, net of liabilities, were HK\$21,790 million as at 31 December 2016, which represents an increase of 2.0%.

The Group's total assets, net of liabilities, were HK\$23,190 million as at 31 December 2015. The Group's total assets, net of liabilities, were HK\$19,400 million as at 31 December 2014. The Group's total assets, net of liabilities, were HK\$23,190 million as at 31 December 2015, which represents an increase of 59.2% compared with the Group's total assets, net of liabilities, of HK\$19,400 million as at 31 December 2014. The Group's total assets, net of liabilities, were HK\$23,190 million as at 31 December 2015, which represents an increase of 19.4%.

The Group's total assets, net of liabilities, were HK\$5.00 million as at 31 December 2016. The Group's total assets, net of liabilities, were HK\$5.00 million as at 31 December 2015. The Group's total assets, net of liabilities, were HK\$5.00 million as at 31 December 2016, which represents an increase of 5.4%.

B. INFORMATION ON CHINA FOODS

China Foods Group Limited ("China Foods") is a company incorporated in the Cayman Islands. China Foods is a subsidiary of the Group. The Group's total assets, net of liabilities, were HK\$5.00 million as at 31 December 2016, which represents an increase of 5.4%.

(i) The Group's total assets, net of liabilities, were HK\$15 million as at 31 December 2015. The Group's total assets, net of liabilities, were HK\$15 million as at 31 December 2015, which represents an increase of 5.4%.

(ii) The Group's total assets, net of liabilities, were HK\$19.4 million as at 31 December 2014. The Group's total assets, net of liabilities, were HK\$19.4 million as at 31 December 2014, which represents an increase of 5.4%.

(iii) The Group's total assets, net of liabilities, were HK\$23.19 million as at 31 December 2015. The Group's total assets, net of liabilities, were HK\$23.19 million as at 31 December 2015, which represents an increase of 5.4%.

C. INFORMATION ON THE TARGET COMPANY AND THE TARGET BUSINESS

1. The Target Company and the Target Business

The Target Company, China Foods, was incorporated in 1993. As at 31 December 2016, China Foods' total assets, net of liabilities, were HK\$5.00 million. The Target Company's total assets, net of liabilities, were HK\$5.00 million as at 31 December 2016, which represents an increase of 5.4%. The Target Company's total assets, net of liabilities, were HK\$5.00 million as at 31 December 2015. The Target Company's total assets, net of liabilities, were HK\$5.00 million as at 31 December 2016, which represents an increase of 5.4%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As a result of the above analysis, the Target Company has been classified into Class A market, Class B market, Class C market and Class D market. The number of markets where the Target Company has presence through its sales outlets and the percentage of coverage of the Target Company are as follows as at 31 December 2016:

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: China	41	41	100%
Class B market: China	278	278	100%
Class C market: China	2,000	1,600	80%
Class D market: China	34,872	19,180	55%

2. Financial information of the Target Business

(i) Financial performance

The following table shows the financial performance of the Target Business for the years ended 31 December 2015 and 31 December 2016:

	FY2016 RMB' million	FY2015 RMB' million
Revenue	9,279.3	8,199.3
Operating profit	1,041.4	1,003.4
Operating loss	80.0	93.3

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Financial position*

The following table sets out the financial position of the Target Business as at 31 December 2016, as derived from the financial statements of the Target Business.

	As at 31 December 2016
	<i>RMB' million</i>
Non-current assets	3.8
Property, plant and equipment	3.2
Intangible assets	0.6
Current assets	2,287.2
Equity	1,286.0
Accounts receivable	307.0
Prepayments	414.2
Contract liabilities	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 comprised of (i) non-current assets of RMB1,286.0 million; (ii) current assets of RMB2,287.2 million; (iii) contract liabilities of RMB188.6 million; and (iv) other current liabilities of RMB680.3 million.

As at 31 December 2016, the Target Business has a net asset value of RMB42.7 million, which is 4.3% of the net asset value of the Target Business as at 31 December 2016, the net asset value of the Target Business is RMB1,000.0 million.

The Target Business's current liabilities of RMB2,248.3 million are primarily comprised of accounts payable of RMB1,568.0 million and other current liabilities of RMB680.3 million. The Target Business has no non-current liabilities.

As at 31 December 2016, the Accounts of the Target Business are comprised of RMB42.7 million (equivalent to approximately H\$49.3 million). Based on the F 2016 Accounts of the Target Business, as at 31 December 2016, the net asset value of the Target Business is 229.7% of the net asset value of the Target Business as at the end of the financial year.

D. REASONS FOR AND BENEFITS OF THE ACQUISITION

As a result of the acquisition, the Group's financial performance is expected to improve. The Group's financial performance is expected to improve as a result of the acquisition of the business. The Group's financial performance is expected to improve as a result of the acquisition of the business. The Group's financial performance is expected to improve as a result of the acquisition of the business.

As a result of the acquisition, the Group's financial performance is expected to improve. The Group's financial performance is expected to improve as a result of the acquisition of the business. The Group's financial performance is expected to improve as a result of the acquisition of the business.

1. Transformational integration of the edible oil business: The acquisition of the business is expected to result in a number of benefits. The acquisition of the business is expected to result in a number of benefits. The acquisition of the business is expected to result in a number of benefits.

2. Extensive distribution network: The acquisition of the business is expected to result in a number of benefits. The acquisition of the business is expected to result in a number of benefits. The acquisition of the business is expected to result in a number of benefits.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Payment and conditions precedent*

The Company has agreed to pay the purchase price for the shares of the Company in accordance with the following terms:

- (i) The first instalment of B315 million (or 30% of the purchase price) shall be paid by the Company to the Vendor (or its nominee) in cash within 14 days of the completion of the purchase of the shares of the Company by the Vendor (or its nominee) in accordance with the terms of the Share Purchase Agreement.
- (ii) The second instalment of B315 million (or 30% of the purchase price) shall be paid by the Company to the Vendor (or its nominee) in cash within 14 days of the completion of the purchase of the shares of the Company by the Vendor (or its nominee) in accordance with the terms of the Share Purchase Agreement, provided that the Vendor (or its nominee) has received the proceeds of the placement of the shares of the Company by the Vendor (or its nominee) in accordance with the terms of the Share Purchase Agreement and the Company has received the proceeds of the placement of the shares of the Company by the Vendor (or its nominee) in accordance with the terms of the Share Purchase Agreement.
- (iii) The third instalment of B420 million (or 40% of the purchase price) shall be paid by the Company to the Vendor (or its nominee) in cash within 14 days of the completion of the purchase of the shares of the Company by the Vendor (or its nominee) in accordance with the terms of the Share Purchase Agreement, provided that the Vendor (or its nominee) has received the proceeds of the placement of the shares of the Company by the Vendor (or its nominee) in accordance with the terms of the Share Purchase Agreement and the Company has received the proceeds of the placement of the shares of the Company by the Vendor (or its nominee) in accordance with the terms of the Share Purchase Agreement.

(iii) *Consideration*

The Company has agreed to pay the purchase price for the shares of the Company in accordance with the following terms: B1,050 million (or 100% of the purchase price) shall be paid by the Company to the Vendor (or its nominee) in cash within 14 days of the completion of the purchase of the shares of the Company by the Vendor (or its nominee) in accordance with the terms of the Share Purchase Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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... T ... B ...

B ... C ...
... E ... E ... G ...
... G ... H ...
... E ... C ... E ... G ...
... (.) 0.8274, ... H ... E ... (HS Index.) f
... 13.9 ... E C ... 16.8 ...
B ... D ... (.) 0.5129, ... H ...
... E C ... 27.1 ... B ...
... D ... (SZSE Factor.); ... (.) 1.0451, ... H ...
G ... T ... 13.3 ... B ...
... D ... (SGX Factor.), ...

... C ...
... C ...
... T ... B ...
... G ...
... A ...

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name	Stock code	Businesses	Market Capitalisation (Note 1) HK\$' million	PE Ratio (Note 2) Times	Adjusted PE Ratio (Note 2) Times
China Resources (Holding) Limited	411.H	China Resources (Holding) Limited is a diversified investment holding company. Its principal subsidiaries are engaged in property development, hotel, food and beverage, and other services.	2,633.1	9.9	9.9
China Resources Food and Beverage Company Limited	1006.H	China Resources Food and Beverage Company Limited is a diversified investment holding company. Its principal subsidiaries are engaged in food and beverage, hotel, and other services.	2,282.8	7.6	7.6
China Resources Financial and Technology Services Company Limited (Note 3)	000639.	China Resources Financial and Technology Services Company Limited is a diversified investment holding company. Its principal subsidiaries are engaged in financial and technology services, and other services.	9,875.9	56.7	29.1
China Resources Grand City Company Limited (Note 4)	002852.	China Resources Grand City Company Limited is a diversified investment holding company. Its principal subsidiaries are engaged in real estate development, and other services.	9,172.5	29.0	14.9
China Resources Construction Group Company Limited (Note 5)	600127. H	China Resources Construction Group Company Limited is a diversified investment holding company. Its principal subsidiaries are engaged in construction, and other services.	4,127.0	474.4	392.5
China Resources Land Limited (Note 6)	L.	China Resources Land Limited is a diversified investment holding company. Its principal subsidiaries are engaged in real estate development, and other services.	125,826.2	14.7	15.4
			(Note 5)	23.6	15.4
			(Note 5)	14.7	14.9
			(Note 5)	56.7	29.1
			(Note 5)	7.6	7.6

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Market Capitalisation (Note 1) HK\$' million	PE Ratio (Note 2) Times	Adjusted PE Ratio (Note 2) Times
1. 聯豐集團有限公司 截至2016年12月31日止年度	B1,050	13.1	13.1
2. 聯豐集團有限公司 截至2016年12月31日止年度 (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 of the Company on the Hong Kong Stock Exchange on 31 December 2016.
2. The implied PE Ratio of the Company is based on the implied market capitalisation of the Company derived from the implied PE Ratio of the Company of 10.7 times based on the market capitalisation of the Company of HK\$1,050 million.
3. The implied PE Ratio of the Company is based on the implied market capitalisation of the Company derived from the implied PE Ratio of the Company of 10.7 times based on the market capitalisation of the Company of HK\$1,050 million.
4. The implied PE Ratio of the Company is based on the implied market capitalisation of the Company derived from the implied PE Ratio of the Company of 10.7 times based on the market capitalisation of the Company of HK\$1,050 million.
5. The implied PE Ratio of the Company is based on the implied market capitalisation of the Company derived from the implied PE Ratio of the Company of 10.7 times based on the market capitalisation of the Company of HK\$1,050 million.
6. The implied PE Ratio of the Company is based on the implied market capitalisation of the Company derived from the implied PE Ratio of the Company of 10.7 times based on the market capitalisation of the Company of HK\$1,050 million.

According to the implied PE Ratio of the Company derived from the implied market capitalisation of the Company of HK\$1,050 million, the implied PE Ratio of the Company is 10.7 times, which is within the comparable range of 7.6 times to 29.1 times (the Comparable Range), and is higher than the implied PE Ratio of the Company of 15.4 times and 14.9 times, respectively.

The implied PE Ratio of the Company is 10.7 times, which is higher than the implied PE Ratio of the Company of 12.4 times, and is lower than the implied PE Ratio of the Company of 12.4 times, respectively.

Based on the implied PE Ratio of the Company derived from the implied market capitalisation of the Company of HK\$1,050 million, the implied PE Ratio of the Company is 10.7 times, which is within the comparable range of 7.6 times to 29.1 times (the Comparable Range), and is higher than the implied PE Ratio of the Company of 15.4 times and 14.9 times, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

G. FINANCIAL EFFECT OF THE ACQUISITION

1. Earnings

The Acquisition of the Target Company will result in a significant increase in the Group's earnings. The Group's earnings for the period ended 31 December 2016 were B98.1 million (equivalent to H \$113.3 million) and the Acquisition will result in a 229.7% increase in the Group's earnings for the period ended 31 December 2016, to B429.7 million (equivalent to H \$513.3 million). The Group's earnings for the period ended 31 December 2016 were B98.1 million (equivalent to H \$113.3 million) and the Acquisition will result in a 229.7% increase in the Group's earnings for the period ended 31 December 2016, to B429.7 million (equivalent to H \$513.3 million). The Group's earnings for the period ended 31 December 2016 were B98.1 million (equivalent to H \$113.3 million) and the Acquisition will result in a 229.7% increase in the Group's earnings for the period ended 31 December 2016, to B429.7 million (equivalent to H \$513.3 million).

The Acquisition will also result in a significant increase in the Group's earnings. The Group's earnings for the period ended 31 December 2016 were B98.1 million (equivalent to H \$113.3 million) and the Acquisition will result in a 229.7% increase in the Group's earnings for the period ended 31 December 2016, to B429.7 million (equivalent to H \$513.3 million).

2. Effect on gearing

The Group's current level of financial leverage is 30% based on the ratio of net debt to the market value of the Group's equity (excluding convertible preferred shares) for the period ended 31 December 2016. The Acquisition will result in a 70% increase in the Group's net debt to the market value of the Group's equity (excluding convertible preferred shares) for the period ended 31 December 2016, to 70.2%. The Acquisition will also result in a 62.4% increase in the Group's net debt to the market value of the Group's equity (excluding convertible preferred shares) for the period ended 31 December 2016, to 62.4%.

3. NAV

The Acquisition will result in a significant increase in the Group's NAV. The Group's NAV for the period ended 31 December 2016 was B42.7 million (equivalent to H \$49.3 million). The Acquisition will result in a 229.7% increase in the Group's NAV for the period ended 31 December 2016, to B112.7 million (equivalent to H \$134.3 million). The Acquisition will also result in a 62.4% increase in the Group's NAV for the period ended 31 December 2016, to B112.7 million (equivalent to H \$134.3 million).

The Acquisition will also result in a significant increase in the Group's NAV. The Group's NAV for the period ended 31 December 2016 was B42.7 million (equivalent to H \$49.3 million). The Acquisition will result in a 229.7% increase in the Group's NAV for the period ended 31 December 2016, to B112.7 million (equivalent to H \$134.3 million).

4. Working capital

As at 31 December 2016, the Company has working capital of HK\$90.0 million. The Company has working capital of HK\$7,586 million as at 31 December 2015. The Company has working capital of HK\$23,190 million as at 31 December 2014. The Company has working capital of HK\$598.8 million as at 31 December 2013. The Company has working capital of B1,050 million as at 31 December 2012. The Company has working capital of HK\$1,212.2 million as at 31 December 2011. The Company has working capital of HK\$30 million as at 31 December 2010. The Company has working capital of HK\$70 million as at 31 December 2009. The Company has working capital of HK\$1 million as at 31 December 2008.

RECOMMENDATION

The Board of Directors recommends that the Company should be listed on the Main Board of the Stock Exchange of Hong Kong.

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.

OPTIMA CAPITAL LIMITED
Ng Ka Po
Senior Director

Mr. Ng Ka Po is licensed person and responsible officer of Optima Capital Limited

1. RESPONSIBILITY STATEMENT

The directors of the Company are responsible for the preparation of the financial statements of the Company for the financial year ended 31 December 2018, and for ensuring that the financial statements are prepared in accordance with the applicable financial reporting framework. The directors have approved the financial statements and are responsible for their accuracy and completeness. The directors have also approved the financial statements and are responsible for their accuracy and completeness. The directors have also approved the financial statements and are responsible for their accuracy and completeness.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the end of the reporting period, the directors and the Chief Executive of the Company have the following interests in the shares and underlying shares of the Company: (i) Mr. [Name] (Chairman and Director of the Company) has 235,364 shares of the Company; (ii) Mr. [Name] (Director of the Company) has 1,197,000 shares of the Company; (iii) Mr. [Name] (Director of the Company) has 136,500 shares of the Company; (iv) Mr. [Name] (Director of the Company) has 48,000 shares of the Company; (v) Mr. [Name] (Director of the Company) has 100,000 shares of the Company. (Under Discloseable Interests.)

Interests in the Shares and underlying shares of the Company

Name	Capacity	Number of Shares held in long position	Number of underlying Shares held in long position (Note 1)	Percentage (Note 2)
[Name]	Chairman and Director	235,364	636,000	0.02%
[Name]	Director		1,197,000	0.02%
[Name]	Director	136,500	1,680,000	0.03%
[Name]	Director	48,000	1,680,000	0.03%
[Name]	Director	100,000		0.00%

Interests in shares of associated corporation

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

Notes:

- The r a r, a h r, r h r, a r a r, r a, h h r, a h h f, h C, a n, r, r, f, h h r, a n, 47, 50 f, h C, a n, 2016 a a, r, r.
- The r a r, f a r, a r, a h, a r, f h r, f, h C, a n, a, r, a, h h r, a r, r, D, a, a, 5,249,880,788, h r.
- 235,364, h r, r h, a h, a r, f, h, r, r, a r, a, r.
- The r a r, f a r, a r, a h, a r, f h r, f, h C, a n, r, r, a, h h r, a r, r, D, a, a, 14,231,124,858, h r.

3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS

A h h r, a r, r, D, a, a, h f, a r, a r, a, r, a, a, (a, a, a, D, r, r, r, h f, a r, f, h C, a n) h, a r, r, h r, a, a, h h r, r, a, r, a, h r, f, h C, a n, r, r, a, h r, a r, a, h C, a n, a r, a, a, 336 f, h F:

Name	Capacity	Number of shares held (Note 1)	Percentage (Note 2)
r, H, a, n,	B a f, j, a r	2,681,315,430	51.07%
C FC (H a n a)	B a f, j, a r	364,790,827	6.95%
	r, f, a r, a r, r, a (Note 3)	2,681,315,430	51.07%
C FC C r, r, a	r, f, a r, a r, r, a (Note 4)	3,046,106,257	58.02%

Notes:

1. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2016, which is available on the Company's website at www.hongkongairways.com.
2. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2015, which is available on the Company's website at www.hongkongairways.com.
3. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2014, which is available on the Company's website at www.hongkongairways.com.
4. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2013, which is available on the Company's website at www.hongkongairways.com.

The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2016, which is available on the Company's website at www.hongkongairways.com. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2015, which is available on the Company's website at www.hongkongairways.com. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2014, which is available on the Company's website at www.hongkongairways.com. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2013, which is available on the Company's website at www.hongkongairways.com.

4. DIRECTORS' SERVICE CONTRACTS

All the Directors of the Company have entered into service contracts with the Company. The terms and conditions of the service contracts of the Directors of the Company are set out in the Remuneration Report for the financial year ended 31 December 2016, which is available on the Company's website at www.hongkongairways.com.

5. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

All the Directors of the Company have entered into service contracts with the Company. The terms and conditions of the service contracts of the Directors of the Company are set out in the Remuneration Report for the financial year ended 31 December 2016, which is available on the Company's website at www.hongkongairways.com. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2015, which is available on the Company's website at www.hongkongairways.com. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2014, which is available on the Company's website at www.hongkongairways.com. The remuneration of the Directors of the Company is set out in the Remuneration Report for the financial year ended 31 December 2013, which is available on the Company's website at www.hongkongairways.com.

All the Directors of the Company have entered into service contracts with the Company. The terms and conditions of the service contracts of the Directors of the Company are set out in the Remuneration Report for the financial year ended 31 December 2016, which is available on the Company's website at www.hongkongairways.com.

6. LITIGATION

All the Directors of the Company have entered into service contracts with the Company. The terms and conditions of the service contracts of the Directors of the Company are set out in the Remuneration Report for the financial year ended 31 December 2016, which is available on the Company's website at www.hongkongairways.com.

7. COMPETING INTERESTS

... 8.10 ... Dr. ... C ...

... C FC ...

C FC ...

- (1) C FC Biochemical (Ahh.) Co., Ltd. (COFCO Biochemical), ...
- (2) C FC Agriculture (COFCO Agri.), ...

C FC Agriculture ...

Grain & ...

... ;

... ;

8. MATERIAL ADVERSE CHANGE

The ... 31 Dec 2016, ...

9. EXPERT'S QUALIFICATION AND CONSENT

The following are the names of the experts who have been appointed for the purpose of this report:

Name	Qualification
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11. DOCUMENTS AVAILABLE FOR INSPECTION

C... f, h f... n... a... r... f... a... n... a... r... a...
h... h C... a'... r... f... 31... F... r, C... FC... T... r, 262 G... r...
C... B... H... a... f... h... f... h... r... r... a... a... h... f... h EG :

- (1) .h A... a;
- (2) .h ... r f ... a;
- (3) .h ... a ... a ... a;
- (4) .h ... r ... T... r ... a C ... a;
- (5) .h T... r ... a A... a;
- (6) .h ... r f ... h ... a B ... C ... a, h ... f ... h ... a ...
20 f... h... r... r;
- (7) .h ... r f ... h EA, h ... f ... h ... a ... 21, 38 f... h... r... r;
- (8) .h ... r f ... a a f ... h EA r f ... a, h ... r ... h ... E... r?
... f ... a a C a a ... a, h ... a; a
- (9) .h ... r... r.



NOTICE OF THE EGM

Notes:

1. The Board of Directors of the Company has resolved to convene the Annual General Meeting of the Company on the date, time and venue specified in the above notice.
2. The Board of Directors of the Company has resolved to propose the following resolutions for consideration and approval at the Annual General Meeting of the Company: (i) to re-appoint Mr. YU Xubo as Chairman of the Board and non-executive director; (ii) to re-appoint Mr. DONG Wei, Ms. YANG Hong and Mr. SHI Bo as executive directors; (iii) to re-appoint Mr. LI Jian and Mr. JIA Peng as non-executive directors; and (iv) to re-appoint Mr. LAM Wai Hon, Ambrose, Mr. Patrick Vincent VIZZONE and Mr. ONG Teck Chee as independent non-executive directors.
3. A copy of the notice of the Annual General Meeting and the resolutions proposed for consideration and approval at the Annual General Meeting is available at the Company's website.
4. The Board of Directors of the Company has resolved to propose the following resolutions for consideration and approval at the Annual General Meeting of the Company: (i) to re-appoint Mr. YU Xubo as Chairman of the Board and non-executive director; (ii) to re-appoint Mr. DONG Wei, Ms. YANG Hong and Mr. SHI Bo as executive directors; (iii) to re-appoint Mr. LI Jian and Mr. JIA Peng as non-executive directors; and (iv) to re-appoint Mr. LAM Wai Hon, Ambrose, Mr. Patrick Vincent VIZZONE and Mr. ONG Teck Chee as independent non-executive directors.
5. A copy of the notice of the Annual General Meeting and the resolutions proposed for consideration and approval at the Annual General Meeting is available at the Company's website. The resolutions proposed for consideration and approval at the Annual General Meeting of the Company are available at the Company's website. The resolutions proposed for consideration and approval at the Annual General Meeting of the Company are available at the Company's website.
6. A copy of the notice of the Annual General Meeting and the resolutions proposed for consideration and approval at the Annual General Meeting is available at the Company's website. The resolutions proposed for consideration and approval at the Annual General Meeting of the Company are available at the Company's website.
7. The Board of Directors of the Company has resolved to propose the following resolutions for consideration and approval at the Annual General Meeting of the Company:

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.