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DEFINITIONS

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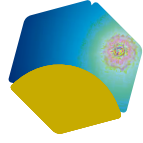
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DEFINITIONS

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LETTER FROM THE BOARD

The terms of the agreement are as follows, (1) for the purpose of the Agreement, the Agreement, (2) for the purpose of the Agreement, with the agreement on the other hand, (3) for the purpose of the Agreement, and (4) for the purpose of the Agreement.

2. THE AGREEMENT

The terms of the Agreement are as follows:

Date

25 / 01 / 2017

Parties

For the purpose of the Agreement, the parties are:

For the purpose of the Agreement, the parties are:

Subject Matter

The purpose of the Agreement is to establish the terms and conditions of the Agreement between the parties.

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for n f r h Co. on:

Before the Completion

COFCO

the Company

Target Company

Consideration

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LETTER FROM THE BOARD

(6) The Director who holds the position of Chairman of the Board shall be elected by the members of the Board.

Payment

The Commission shall be paid a fee of B1,050 million per annum for the services rendered by it.

The fee shall be B315 million (one-third of the Commission) for the services rendered by it, which shall be paid in three equal installments of B105 million per annum. The fee shall be paid in advance of the services rendered by it. The fee shall be B315 million on 31st December 2017.

The Commission shall be paid the following fees for the services rendered by it, which shall be paid in three equal installments of B105 million per annum, (1) the fee of B105 million for the services rendered by it for the first year; (2) the fee of B105 million for the services rendered by it for the second year; (3) the fee of B105 million for the services rendered by it for the third year.

(1) The Chairman of the Board shall be paid a fee of B105 million per annum for the services rendered by him for the first year;

(2) The Chairman of the Board shall be paid a fee of B105 million per annum for the services rendered by him for the second year;

(3) The Chairman of the Board shall be paid a fee of B105 million per annum for the services rendered by him for the third year;

(4) The Chairman of the Board shall be paid a fee of B105 million per annum for the services rendered by him for the fourth year;

(5) The Chairman of the Board shall be paid a fee of B105 million per annum for the services rendered by him for the fifth year;

(6) The Chairman of the Board shall be paid a fee of B105 million per annum for the services rendered by him for the sixth year.

A copy of the Commission's report shall be submitted to the Board, on or before (1) and (5) for the first and fifth years respectively.

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

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 Stock Exchange of Hong Kong. The Group's financial statements are audited by PricewaterhouseCoopers, Chartered Accountants, Hong Kong.

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.

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 Stock Exchange of Hong Kong. China Foods' financial statements are audited by PricewaterhouseCoopers, Chartered Accountants, Hong Kong.

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 is the sole shareholder of China Foods. The Vendor is the sole director of China Foods. The Vendor is the sole member of the board of directors of China Foods.

8. LISTING RULES IMPLICATIONS

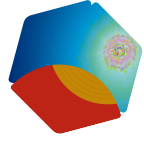
The Acquisition

As a result of the acquisition, the Purchaser will acquire 5% of the issued shares of China Foods. The acquisition is a financial acquisition. The acquisition is a financial acquisition because the Purchaser is acquiring 5% of the issued shares of China Foods. The acquisition is a financial acquisition because the Purchaser is acquiring 5% of the issued shares of China Foods.

As a result of the acquisition, the Purchaser will acquire 58.02% of the issued shares of China Foods. The acquisition is a financial acquisition. The acquisition is a financial acquisition because the Purchaser is acquiring 58.02% of the issued shares of China Foods. The acquisition is a financial acquisition because the Purchaser is acquiring 58.02% of the issued shares of China Foods.

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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
 S. R. N. Ho
 1 Connaught
 Centre
 Hong Kong

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 5% interest in the Company by the Company, which was set out in the Circular dated 20 June 2017 (the "Circular"), of which a copy is enclosed for your reference. The Company has been advised that the proposed acquisition of the 5% interest in the Company is a discloseable and connected transaction under the Listing Rules.

On 25 June 2017, the Independent Financial Adviser ("IFA") (the "IFA") who is an independent member of the Company's Independent Board Committee ("IBC") and is also a director of the Company's wholly-owned subsidiary, the Independent Financial Adviser ("IFA") who is also a director of the Company's wholly-owned subsidiary, the Independent Financial Adviser ("IFA"), has advised the IBC for the consideration of B1,050 million, which is a fair and reasonable price for the acquisition.

As a result of the proposed acquisition, the IBC will hold 14.06% of the Company's shares, which is a significant interest. The IBC also holds 58.0% of the shares of the Company. As a result, the IBC will have a significant influence over the Company's operations. The IBC is also a director of the Company's wholly-owned subsidiary, the Independent Financial Adviser ("IFA"), which is a director of the Company's wholly-owned subsidiary, the Independent Financial Adviser ("IFA").

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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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's view is based on the information provided to it and is not a guarantee of the accuracy or completeness of the information provided to it.

A. INFORMATION ON THE GROUP

1. Principal business of the Group

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

(1) The Group is engaged in the business of oilseed processing. The Group's main products are rapeseed oil, sunflower oil, and soybean oil. The Group's main products are sold in the United States, Europe, and Asia. The Group's main products are sold under the brand names "Upstream Oilseeds Processing Business";

(2) The Group is engaged in the business of biochemical and biofuel production. The Group's main products are ethanol, biodiesel, and bioethanol. The Group's main products are sold in the United States, Europe, and Asia. The Group's main products are sold under the brand names "Biochemical and Biofuel Business";

(3) The Group is engaged in the business of rice production. The Group's main products are rice. The Group's main products are sold in the United States, Europe, and Asia. The Group's main products are sold under the brand names "Rice Business";

(4) The Group is engaged in the business of wheat processing. The Group's main products are wheat flour. The Group's main products are sold in the United States, Europe, and Asia. The Group's main products are sold under the brand names "Wheat Processing Business";

(5) The Group is engaged in the business of brewing materials production. The Group's main products are brewing materials. The Group's main products are sold in the United States, Europe, and Asia. The Group's main products are sold under the brand names "Brewing Materials Business";

The Group was formed from the merger of China Food Group (the "China Foods Group") in 2007 and the merger of the Company and its subsidiaries in 2016. The Group's main products are sold in the United States, Europe, and Asia. The Group's main products are sold under the brand names "China Foods Group". The Group's main products are sold under the brand names "China Foods Group".

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 89,163 million HK\$ and 82,548 million HK\$ respectively, an increase of 56.6% over the corresponding period in F 2015. The Group's profit for the year in F 2016 was 1,532 million HK\$ compared with a loss of 377 million HK\$ in F 2015. The Group's profit for the year attributable to owners of the Company in F 2016 was 1,419 million HK\$ compared with a loss of 333 million HK\$ in F 2015. The Group's earnings per share in F 2016 was 0.270 HK\$ compared with a loss of 0.063 HK\$ in F 2015. The Group's revenue in F 2016 was 89,163 million HK\$ and 82,548 million HK\$ respectively, an increase of 56.6% over the corresponding period in F 2015. The Group's profit for the year in F 2016 was 1,532 million HK\$ compared with a loss of 377 million HK\$ in F 2015. The Group's profit for the year attributable to owners of the Company in F 2016 was 1,419 million HK\$ compared with a loss of 333 million HK\$ in F 2015. The Group's earnings per share in F 2016 was 0.270 HK\$ compared with a loss of 0.063 HK\$ in F 2015.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the 2016 Annual Report, the Group's return on equity increased from 5.2% to 7.0% while the return on assets remained stable at 1.0% for the year ended 31 December 2016.

Beneficially, the Group's return on equity of 7.0% is higher than the return on equity of 4.57% of the Company's independent financial adviser for the year ended 31 December 2015. The return on equity of the Company for the year ended 31 December 2016 was 7.0% compared to 5.2% for the year ended 31 December 2015. The return on equity of the Group for the year ended 31 December 2016 was 7.0% compared to 5.2% for the year ended 31 December 2015.

3. Financial position of the Group

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

	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 interest	4,063
Reserves (HK\$)	5.0

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 December 2016, the total 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 - current assets less current liabilities of approximately HK\$23,190 million. The current assets, which include cash and bank balances (including cash and bank balances), 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 average price of the shares of the Company for FY 2016 was approximately HK\$5.00. The average price of the shares of the Company for FY 2016 was approximately 5.4%.

B. INFORMATION ON CHINA FOODS

China Foods is a subsidiary of CF (which is a wholly-owned subsidiary of the Company) and is a subsidiary of The Sook Exh of Hong Kong (Sook Co : 506). As of 31 December 2016, the shareholding structure is as follows:

- () 15%, owned by Co -Co ;
- () 15%, owned by Co -Co ;
- () 15%, owned by Co -Co ;

C. INFORMATION ON THE TARGET COMPANY AND THE TARGET BUSINESS

1. The Target Company and the Target Business

The China Foods Group has been in operation 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 the Reorganisation. 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

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 revenue, the Company's performance in the Class B market, which represents approximately 27% of the Target Company's total revenue, the Company's performance in the Class C market, which represents approximately 16% of the Target Company's total revenue, and the Company's performance in the Class D market, which represents approximately 55% of the Target Company's total revenue, as of 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: The Company's, revenue, which represents approximately 2% of the Target Company's total revenue	41	41	100%
Class B market: The Company's, revenue, which represents approximately 27% of the Target Company's total revenue	278	278	100%
Class C market: The Company's, revenue, which represents approximately 16% of the Target Company's total revenue	2,000	1,600	80%
Class D market: The Company's, revenue, which represents approximately 55% of the Target Company's total revenue	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 periods shown below, as reported to the Board of Directors of the Target Business, and as audited by the independent financial adviser. 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 before tax	80.0	93.3

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The above information is based on the financial statements of the Trustee Company (the "Trustee Company") for the year ended 31 December 2017. The Trustee Company is a wholly owned subsidiary of the Honorable Company. A further breakdown of the Trustee Company's financial performance for FY 2015 and FY 2016 is set out in the following table:

Details of the non-current assets of the Trustee Company (EWT) are as follows: (i) land, buildings, furniture, fixtures and fittings, motor vehicles, and other tangible assets, (ii) investments, (iii) cash and bank balances, and (iv) other non-current assets. The carrying amount of the non-current assets of the Trustee Company as at 31 December 2016 was approximately HK\$13.2 million, an increase of 13.2% from FY 2015. However, the carrying amount of the non-current assets of the Trustee Company as at 31 December 2015 was approximately HK\$11.7 million, an increase of 12.8% from FY 2014. The carrying amount of the non-current assets of the Trustee Company as at 31 December 2016 was approximately HK\$13.2 million, an increase of 13.2% from FY 2015. However, the carrying amount of the non-current assets of the Trustee Company as at 31 December 2015 was approximately HK\$11.7 million, an increase of 12.8% from FY 2014.

The above information is based on the financial statements of the Trustee Company for the year ended 31 December 2016. The Trustee Company's financial performance for FY 2016 is set out in the following table:

The following table sets out the financial performance of the Trustee Company for FY 2016. The Trustee Company's financial performance for FY 2016 is set out in the following table:

Item	FY 2016	FY 2015
Revenue	HK\$93.3 million	HK\$80.0 million
Expenses	HK\$79.2 million	HK\$68.9 million
Profit before tax	HK\$14.1 million	HK\$11.1 million
Income tax expense	HK\$1.0 million	HK\$0.8 million
Profit after tax	HK\$13.1 million	HK\$10.3 million
Profit after tax as a percentage of revenue	14.1%	12.9%

The above information is based on the financial statements of the Trustee Company for the year ended 31 December 2016. The Trustee Company's financial performance for FY 2016 is set out in the following table:

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 were RMB 42.7 million (comprising of RMB 1,286.0 million of inventory; RMB 307.0 million of accounts receivable; RMB 414.2 million of prepayments; RMB 188.6 million of cash and cash equivalents; and RMB 91.4 million of other current assets) less RMB 2,248.3 million of current liabilities. The Target Business had no non-current liabilities or borrowings.

The Target Business' net assets of RMB 42.7 million (comprising of RMB 1,286.0 million of inventory; RMB 307.0 million of accounts receivable; RMB 414.2 million of prepayments; RMB 188.6 million of cash and cash equivalents; and RMB 91.4 million of other current assets) less RMB 2,248.3 million of current liabilities, which is equivalent to 229.7% of the Target Business' net assets of RMB 42.7 million.

D. REASONS FOR AND BENEFITS OF THE ACQUISITION

According to the information on the Growth of the Group, the Growth of the Group from China Food Group in 2007. Since then, the company has been growing rapidly, and the Board of Directors has decided to acquire the company. The Board of Directors has decided to acquire the company for its own benefit and to expand its market. The company has a long history of providing high-quality products to its customers. The company has a strong reputation in the market and is a leading player in the industry. The company has a strong financial position and is well-positioned to continue to grow and expand its market.

According to the Board of Directors, the Board of Directors has decided to acquire the company for the following reasons:

- 1. Transformational integration of the edible oil business:** The Board of Directors has decided to acquire the company for the following reasons: The company has a strong reputation in the market and is a leading player in the industry. The company has a strong financial position and is well-positioned to continue to grow and expand its market. The company has a strong reputation in the market and is a leading player in the industry. The company has a strong financial position and is well-positioned to continue to grow and expand its market.
- 2. Extensive distribution network:** The Board of Directors has decided to acquire the company for the following reasons: The company has a strong reputation in the market and is a leading player in the industry. The company has a strong financial position and is well-positioned to continue to grow and expand its market. The company has a strong reputation in the market and is a leading player in the industry. The company has a strong financial position and is well-positioned to continue to grow and expand its market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) Payment and conditions precedent

The Corporation will pay the purchase price of the shares of the Company on the following conditions:

(1) The first instalment of B315 million (i.e. 30% of the purchase price) shall be paid by the Corporation on the date of the completion of the purchase of the shares, whether in cash or by the issue of shares of the Company.

(2) The second instalment of B315 million (i.e. 30% of the purchase price) shall be paid by the Corporation on the date of the completion of the purchase of the shares, whether in cash or by the issue of shares of the Company, on the date of the completion of the purchase of the shares, whether in cash or by the issue of shares of the Company, on the date of the completion of the purchase of the shares, whether in cash or by the issue of shares of the Company.

(3) The third instalment of B420 million (i.e. 40% of the purchase price) shall be paid by the Corporation on the date of the completion of the purchase of the shares, whether in cash or by the issue of shares of the Company, on the date of the completion of the purchase of the shares, whether in cash or by the issue of shares of the Company, on the date of the completion of the purchase of the shares, whether in cash or by the issue of shares of the Company.

(iii) Consideration

The purchase price of the shares of the Company shall be B1,050 million. The purchase price shall be paid by the Corporation on the date of the completion of the purchase of the shares, whether in cash or by the issue of shares of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

on the basis of the PE Ratio of the Comparable Companies) and the two non-recurring items of the Company. However, on a forward-looking basis for the year ending on the date of the report, the Company's PE Ratio is expected to be lower than that of the Comparable Companies. The Company's PE Ratio is expected to be lower than that of the Comparable Companies because of the following reasons: (1) the Company's operating performance is expected to be lower than that of the Comparable Companies; (2) the Company's operating performance is expected to be lower than that of the Comparable Companies; (3) the Company's operating performance is expected to be lower than that of the Comparable Companies.

The Company's operating performance is expected to be lower than that of the Comparable Companies because of the following reasons: (1) the Company's operating performance is expected to be lower than that of the Comparable Companies; (2) the Company's operating performance is expected to be lower than that of the Comparable Companies; (3) the Company's operating performance is expected to be lower than that of the Comparable Companies. The Company's operating performance is expected to be lower than that of the Comparable Companies because of the following reasons: (1) the Company's operating performance is expected to be lower than that of the Comparable Companies; (2) the Company's operating performance is expected to be lower than that of the Comparable Companies; (3) the Company's operating performance is expected to be lower than that of the Comparable Companies.

The Company's operating performance is expected to be lower than that of the Comparable Companies because of the following reasons: (1) the Company's operating performance is expected to be lower than that of the Comparable Companies; (2) the Company's operating performance is expected to be lower than that of the Comparable Companies; (3) the Company's operating performance is expected to be lower than that of the Comparable Companies. The Company's operating performance is expected to be lower than that of the Comparable Companies because of the following reasons: (1) the Company's operating performance is expected to be lower than that of the Comparable Companies; (2) the Company's operating performance is expected to be lower than that of the Comparable Companies; (3) the Company's operating performance is expected to be lower than that of the Comparable Companies.

The Company's operating performance is expected to be lower than that of the Comparable Companies because of the following reasons: (1) the Company's operating performance is expected to be lower than that of the Comparable Companies; (2) the Company's operating performance is expected to be lower than that of the Comparable Companies; (3) the Company's operating performance is expected to be lower than that of the Comparable Companies. The Company's operating performance is expected to be lower than that of the Comparable Companies because of the following reasons: (1) the Company's operating performance is expected to be lower than that of the Comparable Companies; (2) the Company's operating performance is expected to be lower than that of the Comparable Companies; (3) the Company's operating performance is expected to be lower than that of the Comparable Companies.

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> Sun Hung Kai Properties (Hong Kong) Limited </p>	411.H	<p> The Group is primarily engaged in the development, construction and operation of residential, commercial and industrial properties. </p>	2,633.1	9.9	9.9
<p> China Resources Food and Beverage Limited </p>	1006.H	<p> The Group is primarily engaged in the production, distribution and sale of various food and beverage products. </p>	2,282.8	7.6	7.6
<p> Wynn Resorts Limited (Note 3) </p>	000639.Z S	<p> The Group is primarily engaged in the operation of casino, hotel and entertainment properties. </p>	9,875.9	56.7	29.1
<p> Doon Grinnell Limited (Note 4) </p>	002852.Z S	<p> The Group is primarily engaged in the operation of various services. </p>	9,172.5	29.0	14.9
<p> Hannan Cracker Limited (Note 5) </p>	600127.H S	<p> The Group is primarily engaged in the production and sale of various food products. </p>	4,127.0	474.4	392.5
<p> Wynn Resorts Limited (Note 6) </p>	 Wynn Resorts	<p> The Group is primarily engaged in the operation of casino, hotel and entertainment properties. </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 (Note 1) HK\$' million	PE Ratio (Note 2) Times	Adjusted PE Ratio (Note 2) 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 (Xi Wang) 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 (ZEF) 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 (ZEF) 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 (ZEF) 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) 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 (Xi Wang) 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 (ZEF) 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 (Kerr) 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 (Xi Wang) 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 (ZEF) is based on the market capitalisation of the Company as at the end of the reporting period.

Based on the above, we consider that the E o of h Con r on on (Kerr) is based on the market capitalisation of the Company as at the end of the reporting period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

G. FINANCIAL EFFECT OF THE ACQUISITION

1. Earnings

Following completion of the Transaction with the wholly-owned subsidiary of the Group, the financial results of the combined entity for the period ended 31 December 2016 are as follows. The combined entity's revenue for the period ended 31 December 2016 was \$113.3 million, an increase of 229.7% from the revenue of the Group of \$36.3 million for the period ended 31 December 2015. The combined entity's operating profit for the period ended 31 December 2016 was \$11.3 million, an increase of 6.5% from the operating profit of the Group of \$8.5 million for the period ended 31 December 2015. The combined entity's earnings before interest and taxes for the period ended 31 December 2016 was \$11.3 million, an increase of 6.5% from the earnings before interest and taxes of the Group of \$8.5 million for the period ended 31 December 2015. The combined entity's earnings per share for the period ended 31 December 2016 was \$0.270, an increase from \$0.288 for the period ended 31 December 2015.

2. Effect on gearing

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

3. NAV

The net asset value of the combined entity at 31 December 2016 was \$42.7 million, an increase from \$49.3 million at 31 December 2015. The net asset value of the combined entity at 31 December 2016 was \$42.7 million, an increase from \$49.3 million at 31 December 2015.

The net asset value of the combined entity at 31 December 2016 was \$42.7 million, an increase from \$49.3 million at 31 December 2015. The net asset value of the combined entity at 31 December 2016 was \$42.7 million, an increase from \$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 funded by 30% of net income or 70% borrowings, with a net working capital of HK\$90 million.

RECOMMENDATION

The working capital is sufficient for the operation, working capital is maintained at a level which is sufficient for the operation of the Company. The Board of Directors is satisfied with the working capital of the Company and the working capital is sufficient for the operation of the Company.

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. He is also a director of Optima Capital Limited.

1. RESPONSIBILITY STATEMENT

The directors, for whom the Directors' Report is prepared, are responsible for the accuracy and completeness of the information contained in the Report. The Directors are not responsible for any loss or damage suffered by any person in reliance on the information contained in the Report, or for any loss or damage suffered by any person in reliance on the information contained in the Report, or for any loss or damage suffered by any person in reliance on the information contained in the Report.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

A list of the interests of the Directors and the Chief Executive in the shares and underlying shares of the Company is set out in the Directors' Report. The interests of the Directors and the Chief Executive in the shares and underlying shares of the Company are disclosed in the Directors' Report. The interests of the Directors and the Chief Executive in the shares and underlying shares of the Company are disclosed in the Directors' Report.

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)
Mr. G. W.	Beneficial owner of the Company (Note 3)	235,364	636,000	0.02%
Mr. G. Hon	Beneficial owner	136,500	1,680,000	0.03%
Mr. Bo	Beneficial owner	48,000	1,680,000	0.03%
Mr. Z. E.	Beneficial owner	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 Hon	o C ro r	B n f own r	10,000	0.00%

Notes:

1. Th n r n h r r h r o on r n r n o h h r o on h u. of h Co. n .
r r of wh h r o on 47 o 50 of h Co. n ' 2016 n n r or .
2. Th r n of n r on h o n u. r of h r of h Co. n n
h r D , n 5,249,880,788 h r .
3. 235,364 h r w r h h o of h r or on n .
4. Th r n of n r on h o n u. r of or n r h r of o C ro r
h r n h r D , n 14,231,124,858 h r .

o S h n o h r D o n r h r D .
o o , non of h D r or or h f x n h r r o

3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS

A h r D , h fo own r on or n (no n D r or or
h f x of h Co. n) h n r or hor o on n h h r or n r n h r
of h Co. n r or n h r r k h Co. n n r on 336 of h S :

Name	Capacity	Number of shares held (Note 1)	Percentage (Note 2)
W S r Ho n	B n f own r	2,681,315,430	51.07%
C F C (Hon on)	B n f own 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:

1. on o on n h S h r of h Co. n .
2. *Th r n wr on h o n . r of h r of h Co. n n h
 r D , n 5,249,880,788 h r .
3. *Th h r wr n f own W S . r Ho n . , o. n who -own
CFC (Hon on) .
4. *Th h r wr h W S . r Ho n n CFC (Hon on) , o. n
who -own CFC Cor or on.

S o o , of r known o h Dr or or h h f x of h Co. n , h r D , no r on h n n r or hor o on n h S h r or n r n h r of h Co. n wh h wo f o o o h Co. n S n r h ro on of D on 2 n 3 of r of h or r or n h r r r o k h Co. n n r on 336 of h S .

4. DIRECTORS' SERVICE CONTRACTS

A h r D , non of h Dr or h n r n o n x n or ro o r on r wh h Co. n or n o h r . r of h Gro for ho x r n or r. n h r n . o r w h n on r w ho . n of o. n on (o h r h n or o. n on).

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 companies, of which the following are members:
- (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 companies, of which the following are members: Sinochem, Sinochem International, Sinochem (China) Agri:

Sinochem & Sinochem International, which are members of the Group of companies (which, or which are members of the Group) (China, Sinochem, Sinochem International, Sinochem, Sinochem, Sinochem (China) Agri, Sinochem International, Sinochem International (China) Agri);

Sinochem, which is a member of the Group of companies, of which the following are members:

Sinochem Agri, which is a member of the Group of companies.

8. MATERIAL ADVERSE CHANGE

There were no material adverse changes in the financial position of the Group in 31 December 2016, which would have had a material effect on the financial position of the Group.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the information of each person who has been consulted for this opinion:

Name	Qualification
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NOTICE OF THE EGM

Notes:

1. The shareholders of the Company of the Annual General Meeting of the Company shall be entitled to attend and vote at the meeting in person or by proxy.
2. The meeting of the Board of Directors of the Company shall be held on 4 July 2017 (on a Friday), at the registered office of the Company, 22, Hong Kong Centre, 183, Queen's Road East, Hong Kong, at 4:30 p.m. on 3 July 2017.
3. A meeting of the Board of Directors of the Company shall be held on or before the date of the meeting of the Board of Directors of the Company.
4. The shareholders of the Company (including the Company) shall be entitled to attend and vote at the meeting in person or by proxy, and the Company shall be entitled to attend and vote at the meeting in person or by proxy, and the Company shall be entitled to attend and vote at the meeting in person or by proxy.
5. A proxy for the meeting of the Board of Directors of the Company shall be valid for the meeting of the Board of Directors of the Company, and the proxy shall be valid for the meeting of the Board of Directors of the Company, and the proxy shall be valid for the meeting of the Board of Directors of the Company.
6. The meeting of the Board of Directors of the Company shall be held on 4 July 2017 (on a Friday), at the registered office of the Company, 22, Hong Kong Centre, 183, Queen's Road East, Hong Kong, at 4:30 p.m. on 3 July 2017.
7. The meeting of the Board of Directors of the Company shall be held on 4 July 2017 (on a Friday), at the registered office of the Company, 22, Hong Kong Centre, 183, Queen's Road East, Hong Kong, at 4:30 p.m. on 3 July 2017.

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.