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CHINA CULIANGWANG BEVERAGES HOLDINGS LIMITED

中國粗糧王飲品控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 904)

TERMINATION AGREEMENT IN RELATION TO THE MASTER FRAMEWORK AND SUBSCRIPTION AGREEMENT

Reference is made to (1) the circular of China Culiangwang Beverages Holdings (“**Company**”, together with its subsidiaries, the “**Group**”) dated 18 May 2013; (2) the announcement of the Company dated 9 June 2013 in relation to, among other things, the delay in completion of the Original Subscription Agreement; (3) the announcement of the Company dated 23 June 2013 in relation to, among other things, a non-binding term sheet agreed between the Company and the Subscriber; (4) the announcement of the Company dated 4 September 2013 in relation to the Master Framework and Subscription Agreement; (5) the circular of the Company dated 2 October 2013 (“**Circular**”); (6) the announcement of the Company dated 14 October 2013 in relation to the revised subscription agreement and issue of shares under specific mandate; (7) the announcement of the Company dated 23 October 2013 in relation to the Loan Agreement; (8) the announcement of the Company dated 20 June 2014 (“**Announcement**”) in relation to, among other things, the novation by PKU V-Ming Investment to Tsinghua Redbud of all the rights, benefits and obligations under the Master Framework and Subscription Agreement including the Loan granted by Tsinghua Redbud through the Entrusted PRC Bank; and (9) the announcement of the Company dated 8 June 2015. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcement.

The board (“**Board**”) of directors (“**Directors**”) of the Company would like to announce that the existing contractual parties to the Master Framework and Subscription Agreement entered into a termination agreement (“**MFSA Termination Agreement**”) on 7 July 2015 pursuant to which the parties had conditionally agreed to terminate the Master Framework and Subscription Agreement.

Details of the MFSA Termination Agreement are set out below.

TERMINATION AGREEMENT IN RELATION TO THE MASTER FRAMEWORK AND SUBSCRIPTION AGREEMENT

Under the MFS Termination Agreement:

- (1) the Company, the Obligor Subsidiaries (including China Green Foods Group), the Subscriber and Tsinghua Redbud have agreed to settle the obligations of the Group under the Funding Arrangements in full in the following manner:
 - (a) the Company shall pay on or before 31 July 2015 an aggregate sum of the HKD equivalent of RMB100,000,000 and all outstanding interests accrued as at the first repayment date (“**First Repayment**”) to repay a corresponding amount of the outstanding principal of the Loan (being the entrusted loan under the Funding Arrangements); and
 - (b) the Company shall pay on or before the maturity date of the Loan the remainder of the outstanding principal and interest under the Loan (less the amount of the First Repayment),such that subject to the receipt of the payments as described above, the parties agreed that the payment obligations of the Group under the Funding Arrangements shall be satisfied in full and no party to the Loan shall have any claim against, or liability or obligation to, the other party(ies) under the Loan;
- (2) the Master Framework and Subscription Agreement shall be terminated effective on the date (“**Effective Date**”) on which evidence as regards the repayment of all sums due under the Funding Arrangements in full is provided to the Subscriber and Tsinghua Redbud;
- (3) the Subscriber has irrevocably and unconditionally agreed that notwithstanding that the Master Framework and Subscription Agreement will only be terminated with effect on the Effective Date, with effect from the date on which the First Repayment is made by the Company:
 - (a) no consent is required to be obtained from the Subscriber for the Company or the Group to proceed with any action or activity which would constitute an adjustment event under the Master Framework and Subscription Agreement; and
 - (b) it will not exercise its right under the Master Framework and Subscription Agreement to request for completion of the New Subscription; and
- (4) the Subscriber and the Company acknowledge, agree and confirm that with effect from the date on which the First Repayment is made by the Company:
 - (a) all the rights and obligations to subscribe for the Subscription Shares under the Master Framework and Subscription Agreement will cease and extinguish entirely; and
 - (b) the obligations of the Company to allot and issue the Subscription Shares to the Subscriber will cease.

As at the date of the MFSA Termination Agreement, the aggregate principal amount of the Loan outstanding is RMB140,000,000. It is intended that the repayment of the Loan will be funded by part of the net proceeds of the open offer of the Company as announced in the announcement of the Company dated 17 April 2015.

Upon the termination of the Master Framework and Subscription Agreement, save for antecedent breaches, no party to the Master Framework and Subscription Agreement shall have any claim against or liability or obligation to other party under the Master Framework and Subscription Agreement.

Taking into account that the Master Framework and Subscription Agreement contained certain restrictions and undertakings which would require the Group to have obtained a consent and waiver from the Subscriber before the Group could proceed with numerous types of corporate actions or activities, and in view of the current cash position and operations of the Group, the Board is of the view that the entering into of the MFSA Termination Agreement to terminate the Master Framework and Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

Further announcement will be made by the Company after the termination of the Master Framework and Subscription Agreement has become effective.

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

Hong Kong, 7 July 2015

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