
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Proposal, this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in China Agri-Industries Holdings Limited, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This Scheme Document appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of COFCO (Hong Kong) Limited or China Agri-Industries Holdings Limited.



COFCO (HONG KONG) LIMITED

中糧集團(香港)有限公司

(Incorporated in Hong Kong with limited liability)



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)

**(1) PROPOSAL FOR THE PRIVATISATION OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
BY COFCO (HONG KONG) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 673 OF THE COMPANIES ORDINANCE)
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED**

Financial Adviser to COFCO (HONG KONG) LIMITED



Independent Financial Adviser to the Independent Board Committee



Unless the context otherwise requires, capitalised terms used in this Scheme Document (including this cover page) are defined in the section headed "Definitions" of this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Independent Shareholders and Optionholders in relation to the Proposal and the Option Offer is set out in Part V of this Scheme Document. A letter from Somerley, being the Independent Financial Adviser, containing its advice to the Independent Board Committee in relation to the Proposal and the Option Offer is set out in Part VI of this Scheme Document. An Explanatory Statement regarding the Scheme is set out in Part VII of this Scheme Document.

The actions to be taken by the Shareholders and the Optionholders are set out in Part II of this Scheme Document.

Notices convening the Court Meeting to be held at 10:00 a.m. on Friday, 6 March 2020 and the General Meeting to be held at 10:30 a.m. (or, if later, immediately after the conclusion or adjournment of the Court Meeting) on Friday, 6 March 2020 are set out in Appendix IV and Appendix V to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon and to lodge them at the office of the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event no later than the respective times and dates as stated under Part II – Actions to be taken of this Scheme Document. Completion and return of the forms of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, should you so wish. In the event that you attend and vote at the relevant meeting or any adjournment thereof after having lodged your forms of proxy, the returned forms of proxy shall be deemed to have been revoked by operation of law.

This Scheme Document is issued jointly by COFCO (Hong Kong) Limited and China Agri-Industries Holdings Limited.

The English language text of this Scheme Document, the Option Offer Letter and the Forms of Acceptance shall prevail over their respective Chinese versions for the purpose of interpretation.

14 February 2020

NOTICE TO US HOLDERS OF SCHEME SHARES AND SHARE OPTIONS

The Proposal is being made to cancel the securities of a company incorporated in Hong Kong by means of a scheme of arrangement provided for under the Companies Ordinance and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in the relevant documentation, including this Scheme Document, has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules of the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement, which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of its Scheme Shares pursuant to the Proposal or by a US Optionholder as consideration for the cancellation of its Share Options pursuant to the Proposal may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares or Share Options is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

US holders of Scheme Shares and Share Options may encounter difficulty enforcing their rights and any claims arising out of the US federal securities laws, as the Offeror and the Company are located in a country outside the United States and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares or Share Options may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, US holders of Scheme Shares or Share Options may encounter difficulty compelling a non-US company and its affiliates to subject themselves to a US court's judgement.

NOTICE REGARDING THE PROFIT FORECAST

Shareholders and potential investors should be aware that this Scheme Document does not meet the standard required by Rule 10 of the Takeovers Code as the Profit Forecast was not reported on as required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on this Scheme Document and wait for the issue by the Company of the announcement containing the reports on the Profit Forecast to be prepared by Deloitte Touche Tohmatsu and the Independent Financial Adviser and the views of the Independent Financial Adviser and the Independent Board Committee, in assessing the merits and demerits of the Proposal and dealing in the securities of the Company. Shareholders and potential investors of the Company are also advised to read carefully the above announcement before deciding on whether and, if so how, to vote at the Court Meeting and the General Meeting.

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In this Scheme Document, the following expressions have the meanings set out below, unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code and “concert party” shall be construed accordingly
“Announcement”	the announcement dated 27 November 2019 issued jointly by the Offeror and the Company in relation to the Proposal
“Announcement Date”	27 November 2019, being the date of the Announcement
“Beneficial Owner(s)”	beneficial owner(s) of the Shares registered in the name of a Registered Owner(s)
“Board”	the board of directors of the Company
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$4.25 per Scheme Share payable in cash
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including a CCASS Investor Participant

“Certain Funds Period”	the period commencing on the Announcement Date and expiring on the earliest of: (i) the date on which the payment of consideration payable by the Offeror in respect of the Proposal has been made in full to the Scheme Shareholders and the Optionholders who have accepted the Option Offer; (ii) the date on which the Proposal is withdrawn or has lapsed in accordance with its terms and the Takeovers Code; and (iii) 25 November 2020, being the date on which the initial availability period of a facility made available to the Offeror by Bank of China (Hong Kong) Limited expires (or, if such availability period is extended or if such facility is renewed, refinanced or replaced with other facility, the date on which such extended availability period expires or the date on which the availability period under such renewed, refinancing or replacing facility expires, as the case may be)
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in relation to the Proposal
“CO Disinterested Shares”	has the meaning ascribed to “disinterested shares” in section 674(3) of the Companies Ordinance
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	China Agri-Industries Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 606)
“Conditions”	the conditions to the implementation of the Proposal and the Scheme as set out in the section headed “4. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Statement of this Scheme Document

“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the High Court at 10:00 a.m. on Friday, 6 March 2020 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui Kowloon, Hong Kong, at which the Scheme (with or without modification) will be voted upon, notice of which is set out in Appendix IV to this Scheme Document, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Dividend Record Date”	the earlier of the Scheme Record Date, which is currently scheduled as Tuesday, 17 March 2020, or Monday, 1 June 2020
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“exempt fund managers”	has the meaning ascribed to it in the Takeovers Code
“exempt principal traders”	has the meaning ascribed to it in the Takeovers Code
“Explanatory Statement”	the explanatory statement set out in Part VII of this Scheme Document
“Form(s) of Acceptance”	the form(s) of acceptance and cancellation in respect of the Option Offer accompanying this Scheme Document despatched to Optionholders in connection with the Option Offer
“Further Interim Dividend”	a further interim dividend of 4 HK cents declared by the Board on 4 February 2020 in lieu of a final dividend for the year ended 31 December 2019, payable to Shareholders whose names appear on the register of members of the Company on the Dividend Record Date

“General Meeting”	the general meeting of the Company to be held at 10:30 a.m. (or, if later, immediately after the conclusion or adjournment of the Court Meeting) on Friday, 6 March 2020 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui Kowloon, Hong Kong, notice of which is set out in Appendix V to this Scheme Document, or any adjournment thereof, for the purposes of approving, amongst others, the reduction of the share capital of the Company and implementing the Scheme
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Lam Wai Hon, Ambrose, Mr. Patrick Vincent Vizzzone and Mr. Ong Teck Chye
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in connection with the Proposal
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror, the Offeror Concert Parties and any member of the CICC group acting in the capacity of an exempt principal trader (in respect of the Shares held on a proprietary basis) for the purpose of the Takeovers Code. For the avoidance of doubt, Independent Shareholders include any member of the CICC group acting in the capacity of an exempt principal trader (in respect of the Shares held as a result of agency trades on behalf of non-discretionary clients) and an exempt fund manager for the purpose of the Takeovers Code

“Jumbo Profit”	Jumbo Profit International Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are held under a declaration of trust in favour of Offeror Parent
“Last Trading Day”	22 November 2019, being the last day on which Shares were traded on the Stock Exchange prior to the publication of the Announcement
“Latest Practicable Date”	11 February 2020, being the latest practicable date for ascertaining certain information contained in this Scheme Document
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	Wednesday, 30 September 2020 (or such later date as the Offeror may determine or, to the extent applicable, as the High Court may direct and in all cases, as permitted by the Executive)
“Meeting Record Date”	Friday, 6 March 2020, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlement of holders of Scheme Shares to attend and vote at the Court Meeting and the entitlement of Shareholders to attend and vote at the General Meeting
“Offeror”	COFCO (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Offeror Concert Party(ies)”	party(ies) acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code (except in the capacity of an exempt principal trader or exempt fund manager for the purpose of the Takeovers Code)
“Offeror Parent”	COFCO Corporation, a state-owned enterprise registered in the PRC
“Option Offer”	the offer to be made by or on behalf of the Offeror to the Optionholders

“Option Offer Letter”	the letter dated 14 February 2020 setting out the terms and conditions of the Option Offer sent separately to the Optionholders and substantially in the form set out in Appendix VII to this Scheme Document
“Optionholder(s)”	holder(s) of outstanding Share Options
“PRC”	the People’s Republic of China (for the purpose of this Scheme Document, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Profit Forecast”	the estimated annual results of the Group for the year ended 31 December 2019 as contained in the Profit Forecast Announcement and referred to in section “4. Material Change” paragraph (ii) of Appendix I to this Scheme Document
“Profit Forecast Announcement”	the announcement of the Company dated 14 January 2020 and referred to in section “4. Material Change” paragraph (ii) of Appendix I to this Scheme Document
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the Option Offer, and for the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions set out in this Scheme Document
“Registered Owner(s)”	holder(s) of Shares (including without limitation a nominee, trustee, depositary or any other authorised custodian or third party) whose name(s) is/are entered in the register of members of the Company as a holder of Shares
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the scheme of arrangement under section 673 of the Companies Ordinance for the implementation of the Proposal involving the cancellation of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares as set out in Appendix III to this Scheme Document, subject to any modifications, additions or conditions as may be approved or imposed by the High Court and agreed to by the Offeror

“Scheme Document”	this composite scheme document, including each of the letters, statements, appendices and notices in it
“Scheme Record Date”	Tuesday, 17 March 2020, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date held by the Shareholders, other than those directly or indirectly held or controlled by the Offeror or Offeror Parent
“Scheme Shareholder(s)”	the registered holder(s) of Scheme Shares
“Securities and Futures Commission”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Share Option(s)”	the share option(s) granted under the Share Option Scheme from time to time
“Share Option Offer Price”	in respect of each Share Option, the amount by which the Cancellation Price exceeds the exercise price of that Share Option, payable in cash by the Offeror to the holder of that Share Option who has accepted the Option Offer, on the terms and subject to the conditions of the Option Offer
“Share Option Record Date”	Monday, 9 March 2020, or such other date as shall have been announced to the Shareholders and the Optionholders, being the record date for the purpose determining the entitlements of the Optionholders to the Option Offer
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 12 January 2007 as amended from time to time
“Share Registrar”	Tricor Progressive Limited, the Company’s share registrar and transfer office
“Shareholder(s)”	registered holder(s) of Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“TC Disinterested Share(s)”	Share(s) held by the Independent Shareholders
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“US\$”	US dollar(s), the lawful currency of the US
“Wide Smart”	Wide Smart Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Offeror

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified.

ACTIONS TO BE TAKEN BY SHAREHOLDERS

For the purpose of determining the entitlements of holders of Scheme Shares to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Monday, 2 March 2020 to Friday, 6 March 2020 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Friday, 28 February 2020.

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the General Meeting are enclosed with this Scheme Document. Subsequent purchasers of Scheme Shares will need to obtain the relevant proxy form from the transferor if he wishes to attend or vote at the Court Meeting and/or the General Meeting.

Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person, if you are a Scheme Shareholder, we strongly urge you to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, we strongly urge you to complete and sign the enclosed **white** form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon, and to lodge them at the office of the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. **In order to be valid, the pink form of proxy for use at the Court Meeting should be lodged no later than 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof, and the white form of proxy for use at the General Meeting should be lodged no later than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof.** The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof. In such event, the returned form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the General Meeting, you will still be bound by the outcome of the Court Meeting and the General Meeting if, among other things, the resolutions are passed by the requisite majorities of the holders of Scheme Shares or the holders of Shares (as the case may be). We therefore strongly urge you to attend and vote at the Court Meeting and the General Meeting in person or by proxy.

Voting at the Court Meeting and the General Meeting will be taken by poll as required under the Listing Rules and the Takeovers Code.

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the General Meeting on Friday, 6 March 2020. If all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition to sanction the Scheme by the High Court and, if the

Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD THROUGH TRUST OR DEPOSITED IN CCASS

The Company will not recognise any person as holding any Shares through any trust. If you are a Beneficial Owner whose Shares are held upon trust by, and registered in the name of, a Registered Owner (other than HKSCC Nominees Limited), you should contact the Registered Owner and provide the Registered Owner with instructions and/or make arrangements with the Registered Owner in relation to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the General Meeting. Such instructions and/or arrangements should be given or made in advance of the deadline in respect of the Court Meeting and the General Meeting set by the Registered Owner in order to provide the Registered Owner with sufficient time to accurately complete his, her or its proxy form and to submit it by the deadline stated above. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and the General Meeting, any such Beneficial Owner should comply with the requirements of the Registered Owner.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the General Meeting personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the General Meeting and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the General Meeting shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof. In the event that the Registered Owner attends and

votes at the relevant meeting or any adjournment thereof after having lodged his forms of proxy, the returned form of proxy will be deemed to have been revoked.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are a CCASS Investor Participant, contact your broker, custodian, nominee, or other relevant person who is, or has, in turn, deposited such Shares with other CCASS Participants, regarding voting instructions to be given to such persons if you wish to vote at the Court Meeting and/or at the General Meeting in respect of the Scheme. You should contact your broker, custodian, nominee or other relevant person in advance of the deadline in respect of the Court Meeting and the General Meeting set by them, in order to provide such person with sufficient time to provide HKSCC Nominees Limited with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the General Meeting. The procedure for voting in respect of the Scheme by HKSCC Nominees Limited with respect to the Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

HKSCC Nominees Limited may also vote for and against the Scheme in accordance with instructions received from CCASS Participants (as defined under the General Rules of CCASS).

If you are a Beneficial Owner whose Shares are deposited in CCASS, you may also elect to become a Shareholder of record, and thereby have the right to attend and vote at the Court Meeting (if you are a Scheme Shareholder) and the General Meeting (as a Shareholder). You can become a Shareholder of record by withdrawing all or any of your Shares from CCASS and becoming a Registered Owner of such Shares. For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Shares are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and the General Meeting, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

ACTIONS TO BE TAKEN BY OPTIONHOLDERS

The Option Offer Letter is being sent to each Optionholder, together with this Scheme Document and a Form of Acceptance. If you are an Optionholder and you wish to accept the Option Offer, you must complete and return the duly completed and executed Form of Acceptance so as to reach the Offeror, care of China Agri-Industries Holdings Limited at 7th Floor, COFCO Fortune Plaza, No. 8 Chaoyangmen South Street, Chaoyang District, Beijing 100020, China, for the attention of the Human Resources Department of the Company and marked “China Agri-Industries Holdings Limited – Option Offer”. All Optionholders must lodge the duly completed and executed Form of Acceptance to be received at or before 4:30 p.m. on

Monday, 9 March 2020 (or such later date and time as may be notified to you by the Offeror or CICC or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange). No acknowledgement of receipt of any Form of Acceptance or other document evidencing the grant of Share Options or any other document will be given.

You are urged to read the instructions and other terms and conditions of the Option Offer in the Option Offer Letter, substantially in the form set out in Appendix VII to this Scheme Document.

EXERCISE YOUR RIGHT TO VOTE

IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, THE OFFEROR AND THE COMPANY STRONGLY ENCOURAGE YOU TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND AT THE GENERAL MEETING. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAM, THE OFFEROR AND THE COMPANY URGE YOU TO RECALL ANY OUTSTANDING SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED STOCK TO VOTE.

IF YOU ARE A BENEFICIAL OWNER WHOSE SHARES ARE DEPOSITED IN CCASS, THE OFFEROR AND THE COMPANY ENCOURAGE YOU TO PROVIDE HKSCC NOMINEES LIMITED WITH INSTRUCTIONS OR MAKE ARRANGEMENTS WITH HKSCC NOMINEES LIMITED IN RELATION TO THE MANNER IN WHICH THOSE SHARES SHOULD BE VOTED AT THE COURT MEETING AND/OR AT THE GENERAL MEETING WITHOUT DELAY AND/OR WITHDRAWN FROM CCASS AND TRANSFERRED INTO YOUR NAME (AS DETAILED IN THE SECTION “ACTIONS TO BE TAKEN – ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD THROUGH TRUST OR DEPOSITED IN CCASS” ABOVE).

IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, WE SHOULD BE GRATEFUL IF YOU WOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU ARE ENCOURAGED TO CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

Hong Kong Time

Date of despatch of this Scheme Document Friday, 14 February 2020

Date of despatch of the Option Offer Letter
for the Option Offer. Friday, 14 February 2020

Latest date for the announcement containing the reports for the
Profit Forecast to be issued (*Note 1*). no later than
Wednesday, 19 February 2020

Latest time for lodging transfers of Shares in
order to become entitled to attend and vote
at the Court Meeting and the General Meeting 4:30 p.m. on
Friday, 28 February 2020

Register of members of the Company closed for
determination of entitlements of holders of Scheme
Shares to attend and vote at the Court Meeting
and of Shareholders to attend and vote at the
General Meeting (*Note 2*). from Monday, 2 March 2020
to Friday, 6 March 2020
(both days inclusive)

Latest time for lodging forms of proxy in
respect of (*Note 3*)

- Court Meeting. 10:00 a.m. on
Wednesday, 4 March 2020
- General Meeting 10:30 a.m. on
Wednesday, 4 March 2020

Meeting Record Date. Friday, 6 March 2020

Court Meeting (*Note 4*). 10:00 a.m. on
Friday, 6 March 2020

General Meeting (*Note 4*) 10:30 a.m. on
Friday, 6 March 2020
(or, if later, immediately after the conclusion
or adjournment of the Court Meeting)

Hong Kong Time

Announcement of the results of the Court Meeting and the General Meeting posted on the website of the Stock Exchange and the website of the Company.	no later than 7:00 p.m. on Friday, 6 March 2020
Expected last day for trading in the Shares on the Stock Exchange.	Monday, 9 March 2020
Share Option Record Date	Monday, 9 March 2020
Latest time and date for lodging the Form of Acceptance in relation to the Option Offer (<i>Note 5</i>).	4:30 p.m. on Monday, 9 March 2020
Lapse of all Share Options (<i>Note 6</i>).	Tuesday, 10 March 2020
Latest time for lodging transfer of Shares in order to qualify for entitlements under the Scheme and the Further Interim Dividend	4:30 p.m. on Thursday, 12 March 2020
Register of members of the Company closed for determining Scheme Shareholders qualified for entitlements under the Scheme and Shareholders qualified for entitlement of the Further Interim Dividend (<i>Note 7</i>)	from Friday, 13 March 2020 onwards
Court hearing of the petition to sanction the Scheme and to confirm the reduction of the share capital of the Company involved in the Scheme.	Tuesday, 17 March 2020
Announcement of the results of the court hearing of the petition to sanction the Scheme and to confirm the reduction of the share capital of the Company involved in the Scheme, the expected Effective Date and the expected date of withdrawal of listing of Shares on the Stock Exchange.	Tuesday, 17 March 2020
Dividend Record Date (<i>Note 8</i>)	Tuesday, 17 March 2020
Scheme Record Date.	Tuesday, 17 March 2020

Hong Kong Time

Effective Date (*Note 9*) Thursday, 19 March 2020

Announcement of the Effective Date, the withdrawal
of the listing of the Shares on the Stock Exchange
and the results of the Option Offer Thursday, 19 March 2020

Expected withdrawal of the listing of Shares on
the Stock Exchange becoming effective 9:00 a.m. on
Monday, 23 March 2020

Cheques for cash payment under the Scheme and
cheques for cash payment for acceptances under
the Option Offer to be despatched (*Note 10*) on or before
Monday, 30 March 2020

Date of payment of the Further
Interim Dividend (*Notes 8 and 11*) on or before Friday, 17 April 2020

Notes:

1. The reports to be issued by Deloitte Touche Tohmatsu and the Independent Financial Adviser pursuant to the Takeovers Code on the Profit Forecast and the views of the Independent Financial Adviser and Independent Board Committee will be contained in an announcement to be issued by the Company. For details see section “4. Material Change” paragraph (ii) of Appendix I to this Scheme Document.

Shareholders and potential investors should be aware that this Scheme Document does not meet the standard required by Rule 10 of the Takeovers Code as the Profit Forecast was not reported on as required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on this Scheme Document and wait for the issue by the Company of the announcement containing the reports on the Profit Forecast to be prepared by Deloitte Touche Tohmatsu and the Independent Financial Adviser and the views of the Independent Financial Adviser and the Independent Board Committee, in assessing the merits and demerits of the Proposal and dealing in the securities of the Company. Shareholders and potential investors of the Company are also advised to read carefully the above announcement before deciding on whether and, if so how, to vote at the Court Meeting and the General Meeting.

2. The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the General Meeting. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
3. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the General Meeting should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged at the Share Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong by the times and dates stated above. The **pink** form of proxy for use at the Court Meeting and the **white** form of proxy for use at the General Meeting must be lodged no later than the time and date stated above in order for them to be valid. The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude a Scheme Shareholder or Shareholder (as the case may be) from attending and voting in person at the relevant meeting or any adjournment thereof if he so wishes. In the event that the Scheme

Shareholder or Shareholder (as the case may be) attends and votes at the relevant meeting or any adjournment thereof after having lodged his form of proxy, the returned form of proxy shall be deemed to have been revoked by operation of law.

4. For further details relating to the Court Meeting and the General Meeting, please see the notice of Court Meeting set out in Appendix IV to this Scheme Document and the notice of General Meeting set out in Appendix V to this Scheme Document. If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted, the Government of Hong Kong has announced or is expected to issue an announcement on “extreme conditions” caused by super typhoons or a black rainstorm warning signal is or is expected to be in force at any time after 7:00 a.m. on the date of the Court Meeting and the General Meeting, the Court Meeting and the General Meeting will be postponed. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the Scheme Shareholders and Shareholders (as the case may be) of the date, time and venue of the rescheduled meetings.
5. Forms of Acceptance, duly completed in accordance with the instructions on them, must be lodged so as to reach the Offeror, care of China Agri-Industries Holdings Limited at 7th Floor, COFCO Fortune Plaza, No. 8 Chaoyangmen South Street, Chaoyang District, Beijing 100020, China, for the attention of the Human Resources Department of the Company not later than 4:30 p.m. on Monday, 9 March 2020 (or such later date as may be notified by the Offeror or CICC or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange).
6. Pursuant to the terms of the Share Option Scheme, subject to the Scheme becoming effective, all Share Options shall lapse automatically on Tuesday, 10 March 2020 and will no longer be exercisable as from such date.
7. The register of members of the Company will be closed during such period for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme and Shareholders who are qualified for entitlements of the Further Interim Dividend.
8. As disclosed in the announcement of the Company dated 4 February 2020, the Further Interim Dividend will be payable to Shareholders whose names appear on the register of members of the Company on the Dividend Record Date, which will be the earlier of the Scheme Record Date (currently scheduled as Tuesday, 17 March 2020) or Monday, 1 June 2020.
9. The Scheme shall become effective as soon as an office copy of the order of the High Court sanctioning the Scheme (with or without modification) and confirming the reduction of issued share capital of the Company resulting from the cancellation of the Scheme Shares together with a minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance shall have been registered by the Registrar of Companies under Part 2 of the Companies Ordinance.
10. Cheques for the payment of the Cancellation Price under the Scheme and payment of the Share Option Offer Price under the Option Offer will be sent within seven Business Days following the Effective Date by ordinary post in postage pre-paid envelopes addressed to the persons entitled (or in respect of the Option Offer, at the Optionholder’s election, delivered to the Company, as the Optionholder’s agent, at its registered office) thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first in such registers in respect of the joint holding. All such cheques will be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, CICC, the Independent Financial Adviser, the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch.
11. The Further Interim Dividend is expected to be paid within one month of the Dividend Record Date to the Shareholders whose names appear on the register of members on the Dividend Record Date.



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)

Executive Directors:

Mr. Wang Zhen
Mr. Xu Guanghong
Ms. Hua Jian

Registered office:

31st Floor, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Non-executive Directors:

Mr. Luan Richeng
Mr. Jia Peng
Mr. Meng Qingguo

Independent non-executive Directors:

Mr. Lam Wai Hon, Ambrose
Mr. Patrick Vincent Vizzone
Mr. Ong Teck Chye

14 February 2020

To: The Shareholders and Optionholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
BY COFCO (HONG KONG) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 673 OF THE COMPANIES ORDINANCE)
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED**

INTRODUCTION

On 27 November 2019, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance. Assuming no new Shares are issued after the Scheme Record Date, upon completion of the Scheme, the Company will become wholly-owned

by the Offeror, Wide Smart and Jumbo Profit, and the listing of the Shares will be withdrawn from the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the share capital of the Company will, on the Effective Date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The credit arising in the Company's books of account as a result of the reduction in share capital will be applied in paying up in full the new Shares so issued, credited as fully paid, to the Offeror.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to all Optionholders to cancel every outstanding Share Option in accordance with Rule 13 of the Takeovers Code. Such Option Offer is conditional upon the Scheme becoming effective.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal, the Scheme, the Option Offer and the expected timetable and to give you notice of the Court Meeting and the General Meeting (together with proxy forms in relation thereto). Your attention is also drawn to the letter from the Independent Board Committee set out in Part V of this Scheme Document, the letter from Somerley, being the Independent Financial Adviser, set out in Part VI of this Scheme Document, the Explanatory Statement set out in Part VII of this Scheme Document and the terms of the Scheme set out in Appendix III to this Scheme Document.

TERMS OF THE PROPOSAL

The Scheme

Subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed "4. Conditions of the Proposal and the Scheme" in the Explanatory Statement set out in Part VII of this Scheme Document, the Proposal will be implemented by way of the Scheme and the Option Offer. Subject to the Scheme becoming effective, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$4.25 in cash for each Scheme Share cancelled.

The Offeror has advised that the Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

The Cancellation Price of HK\$4.25 per Scheme Share represents:

- a premium of approximately 34.07% over the closing price of HK\$3.17 per Share as quoted on the Stock Exchange on the Last Trading Day;

- a premium of approximately 40.92% over the average closing price of approximately HK\$3.02 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 53.17% over the average closing price of approximately HK\$2.77 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 64.73% over the average closing price of approximately HK\$2.58 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 72.49% over the average closing price of approximately HK\$2.46 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 72.62% over the average closing price of approximately HK\$2.46 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 0.47% over the closing price of HK\$4.23 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- a discount of approximately 22.83% to the audited consolidated net asset value of the Company of approximately HK\$5.51 per Share as at 31 December 2018.

Note: The average closing price per Share and net asset value per Share disclosed have been rounded to two decimal places and the percentage of premium/discount of the Cancellation Price over the average closing price per Share/to the net asset value per Share have been calculated based on the average closing price per Share and net assets value per Share before rounding.

The Cancellation Price has been determined on a commercial basis after taking into account, among others, the prices of the Shares traded on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years.

The Option Offer

As at the Latest Practicable Date, there are 29,269,700 outstanding Share Options granted under the Share Option Scheme, each relating to one Share, all of which have an exercise price of HK\$2.85. The Share Option Scheme lapsed in 2017 upon the expiry of its term and, as at the Latest Practicable Date, no further Share Option may be granted thereunder.

The Offeror will make (or procure to be made on its behalf) the Option Offer to Optionholders in accordance with Rule 13 of the Takeovers Code. The Option Offer is conditional upon the Scheme becoming effective. Further information on the Option Offer is set out in “2. Terms of the Proposal – The Option Offer” in the Explanatory Statement set out in Part VII of this Scheme Document and the form of Option Offer Letter which is set out in Appendix VII to this Scheme Document.

Under the Option Offer, the Offeror will offer Optionholders the Share Option Offer Price, which represents the “see-through” price of each Share Option, being the Cancellation Price minus the exercise price of the Share Options, in consideration for the acquisition of all rights under, and the immediate cancellation of, each Share Option.

REASONS FOR, AND BENEFITS OF, THE PROPOSAL

You are urged to read carefully the section headed “9. Reasons for and Benefits of the Proposal” in the Explanatory Statement set out in Part VII of this Scheme Document.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee which comprises Mr. Lam Wai Hon, Ambrose, Mr. Patrick Vincent Vizzzone and Mr. Ong Teck Chye has been established by the Board to make a recommendation: (a) to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and whether to vote in favour of the Scheme at the Court Meeting and resolutions to be proposed at the General Meeting; and (b) to the Optionholders as to whether the terms of the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who, save as disclosed below, have no direct or indirect interest in the Proposal. Each of Mr. Luan Richeng, Mr. Jia Peng and Mr. Meng Qingguo is a non-executive Director and is not a member of the Independent Board Committee as he is a member of senior management or employee of the Offeror Parent and/or its subsidiaries (in addition to the Group). All of the other non-executive Directors (being the independent non-executive Directors) are members of the Independent Board Committee. Although Mr. Patrick Vincent Vizzzone has held 100,000 Shares (representing approximately 0.0019% of the issued Shares as at the Latest Practicable Date) since he purchased them on 3 April 2014, this is an immaterial shareholding and is not considered to affect his ability and impartiality in his service on the Independent Board Committee.

The full text of the letter from the Independent Board Committee is set out in Part V of this Scheme Document.

INDEPENDENT FINANCIAL ADVISER

Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer. The appointment of Somerley as the Independent Financial Adviser has been approved by the Independent Board Committee.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

NOTICE REGARDING THE PROFIT FORECAST

The reports to be issued by Deloitte Touche Tohmatsu and the Independent Financial Adviser pursuant to the Takeovers Code on the Profit Forecast and the views of the Independent Financial Adviser and Independent Board Committee will be contained in an announcement to be issued by the Company. For details see section “4. Material Change” paragraph (ii) of Appendix I to this Scheme Document.

Shareholders and potential investors should be aware that this Scheme Document does not meet the standard required by Rule 10 of the Takeovers Code as the Profit Forecast was not reported on as required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on this Scheme Document and wait for the issue by the Company of the announcement containing the reports on the Profit Forecast to be prepared by Deloitte Touche Tohmatsu and the Independent Financial Adviser and the views of the Independent Financial Adviser and the Independent Board Committee, in assessing the merits and demerits of the Proposal and dealing in the securities of the Company. Shareholders and potential investors of the Company are also advised to read carefully the above announcement before deciding on whether and, if so how, to vote at the Court Meeting and the General Meeting.

INFORMATION ON THE GROUP AND THE OFFEROR

The Group

The Company is a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange with the stock code 606. The Group is a leading producer and supplier of processed agricultural products in the PRC. Its principal businesses are oilseeds processing, rice processing and trading, wheat processing and brewing materials.

Offeror and Offeror Parent

The Offeror is an investment holding company incorporated in Hong Kong with limited liability, a controlling Shareholder of the Company and a direct wholly-owned subsidiary of Offeror Parent. Offeror Parent is a state-owned company in the PRC with business interests in agricultural commodities trading, agricultural products processing, food and beverages, hotel management, real estate, logistics and financial services.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “12. Intentions of the Offeror” in the Explanatory Statement set out in Part VII of this Scheme Document.

The Board has noted the intentions of the Offeror in respect of the Company and the employees of the Group as disclosed in the above section in the Explanatory Statement.

SHARE CERTIFICATES AND WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

In that case, the Company does not intend to retain its listing on the Stock Exchange and will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from the Effective Date.

The Scheme Shareholders will be notified by way of announcement of, among other things, the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of Shares on the Stock Exchange will become effective. An expected timetable of the Proposal is included in Part III of this Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror may determine or, to the extent applicable, as the High Court may direct and in all cases, as permitted by the Executive). The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with it) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

COURT MEETING AND GENERAL MEETING

For the purpose of exercising your right to vote at the Court Meeting and the General Meeting, you are requested to read carefully the section headed “19. Court Meeting and General Meeting” in the Explanatory Statement set out in Part VII of this Scheme Document, “Part II – Actions to be taken” of this Scheme Document, and the notices of the Court Meeting and the General Meeting in Appendices IV and V, respectively, to this Scheme Document.

OVERSEAS SHAREHOLDERS AND OPTIONHOLDERS

If you are an overseas Scheme Shareholder or Optionholder, your attention is drawn to the section headed “17. Overseas Shareholders and Optionholders” in the Explanatory Statement set out in Part VII of this Scheme Document.

ACTIONS TO BE TAKEN

The actions which you are required to take in relation to the Proposal are set out in “Part II – Actions to be taken” of this Scheme Document and the section headed “20. Actions to be Taken” in the Explanatory Statement set out in Part VII of this Scheme Document.

RECOMMENDATION

Your attention is drawn to the recommendation of the Independent Financial Adviser to the Independent Board Committee, in respect of the Proposal as set out in “Part VI – Letter from the Independent Financial Adviser” of this Scheme Document. Your attention is also drawn to the recommendation of the Independent Board Committee in respect of the Proposal as set out in “Part V – Letter from the Independent Board Committee” of this Scheme Document.

REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “16. Registration and Payment” in the Explanatory Statement set out in Part VII of this Scheme Document.

TAXATION AND INDEPENDENT ADVICE

Your attention is drawn to the section headed “18. Taxation” in the Explanatory Statement set out in Part VII of this Scheme Document.

It is emphasised that none of the Offeror, the Company, CICC and their agents or any of their respective directors, officers or associates or any other person involved in the Scheme or the Option Offer accepts responsibility or has any liability for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Scheme or the Option Offer. All Scheme Shareholders, Beneficial Owners and/or Optionholders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Proposal and they shall be solely responsible for their liabilities (including tax liabilities) in relation to the Scheme and/or the Option Offer.

FURTHER INFORMATION

You are urged to read carefully the letters from the Independent Board Committee and from the Independent Financial Adviser, as set out in Parts V and VI of this Scheme Document, respectively, the Explanatory Statement as set out in Part VII of this Scheme Document, the Appendices to this Scheme Document, the Scheme as set out in Appendix III to this Scheme Document, the notice of Court Meeting as set out in Appendix IV to this Scheme Document and the notice of General Meeting as set out in Appendix V to this Scheme Document. In addition, a **pink** form of proxy for the Court Meeting, a **white** form of proxy for the General Meeting, the PRC Enterprise Income Tax Declaration Form, the Power of Attorney, the PRC Withholding Income Tax Filing Return and the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits are enclosed with this Scheme Document. Optionholders are urged to read carefully the Option Offer Letter, which is sent separately to Optionholders on the date of this Scheme Document and is substantially in the form set out in “Appendix VII – Form of Option Offer Letter” to this Scheme Document, and the Form of Acceptance in respect of the Option Offer.

Yours faithfully

By order of the Board

CHINA AGRI-INDUSTRIES HOLDINGS LIMITED

LUAN Richeng

Chairman



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)

14 February 2020

To: The Independent Shareholders and Optionholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
BY COFCO (HONG KONG) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 673 OF THE COMPANIES ORDINANCE)
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED**

We refer to the document dated 14 February 2020 jointly issued by the Offeror and the Company in relation to the Proposal (the “**Scheme Document**”) of which this letter forms part. Terms defined in the Scheme Document shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Independent Shareholders and the Optionholders in respect of the Proposal, the Scheme and the Option Offer, respectively, details of which are set out in “Part IV – Letter from the Board” and “Part VII – Explanatory Statement” of the Scheme Document.

Somerley Capital Limited, the Independent Financial Adviser, has been appointed with our approval, to advise us in connection with the Proposal, the Scheme and the Option Offer. The details of its advice and the principal factors taken into consideration in arriving at its recommendations are set out in “Part VI – Letter from the Independent Financial Adviser” of the Scheme Document.

In the letter from the Independent Financial Adviser set out in Part VI of the Scheme Document, the Independent Financial Adviser states that it considers the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned and the terms of the Option Offer are fair and reasonable as far as the Optionholders are concerned, and advises the Independent Board Committee (a) to recommend the Independent

Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the General Meeting to approve the Scheme and implementation of the Proposal; and (b) to recommend the Optionholders to accept the Option Offer.

The Independent Board Committee, having considered the terms of the Proposal, the Scheme and the Option Offer, and having taken into account the opinion of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter in Part VI of the Scheme Document, considers that, as far as the Independent Shareholders are concerned, the terms of the Proposal and the Scheme are fair and reasonable, and as far as the Optionholders are concerned, the terms of the Option Offer are fair and reasonable.

Accordingly, the Independent Board Committee recommends:

- (a) at the Court Meeting, the Independent Shareholders to vote in favour of the resolution to approve the Scheme;
- (b) at the General Meeting, the Shareholders to vote in favour of the special resolution to approve and give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled; and
- (c) the Optionholders to accept the Option Offer.

The Independent Board Committee draws the attention of the Independent Shareholders and the Optionholders to (i) the letter from the Board set out in Part IV of the Scheme Document; (ii) the letter from the Independent Financial Adviser, which sets out the factors and reasons taken into account in arriving at its recommendation to the Independent Board Committee, set out in Part VI of the Scheme Document; and (iii) the Explanatory Statement set out in Part VII of the Scheme Document.

Yours faithfully,

The Independent Board Committee

LAM Wai Hon, Ambrose
Independent non-executive
Director

Patrick Vincent VIZZONE
Independent non-executive
Director

ONG Teck Chye
Independent non-executive
Director

The following is the text of a letter of advice from Somerley to the Independent Board Committee, which has been prepared for the purpose of inclusion in this Scheme Document.



Somerley Capital Limited
20th Floor
China Building
29 Queen's Road Central
Hong Kong

14 February 2020

To: The Independent Board Committee of China Agri-Industries Holdings Limited

Dear Sirs,

**(1) PROPOSAL FOR THE PRIVATISATION OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
BY COFCO (HONG KONG) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 673 OF THE COMPANIES ORDINANCE)
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED**

I. INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the Proposal. Details of the Proposal are contained in the Scheme Document dated 14 February 2020, of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context otherwise requires.

On 27 November 2019, the Offeror and the Company jointly announced that the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance. Under the Scheme, the Scheme Shares will be cancelled and, in consideration therefor, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$4.25 in cash for each Scheme Share cancelled.

The Independent Board Committee, comprising Mr. Lam Wai Hon, Ambrose, Mr. Patrick Vincent Vizzzone and Mr. Ong Teck Chye (each being an independent non-executive Director), has been established by the Board to make a recommendation: (a) to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and whether to vote in favour of the Scheme at the Court Meeting and resolutions to be proposed at the General Meeting; and (b) to the Optionholders as to whether the terms of the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer. Mr.

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Patrick Vincent Vizzone has held 100,000 Shares (representing approximately 0.0019% of the issued Shares as at the Latest Practicable Date) since he purchased them on 3 April 2014. As this is an immaterial shareholding, it is not considered to affect his ability and impartiality to serve on the Independent Board Committee. The Independent Board Committee has approved our appointment as the Independent Financial Adviser to advise them as regards their recommendation on the Proposal.

During the past two years, Somerley has acted as (i) the independent financial adviser to the independent board committee and independent shareholders of Yashili International Holdings Limited (stock code: 1230, “**Yashili**”), a non-wholly owned subsidiary of China Mengniu Dairy Company Limited (stock code: 2319) which is, in turn, owned as to 31% by the Offeror Parent, relating to continuing connected transactions as referred to in Yashili’s circulars dated 22 February 2019, 1 April 2019 and 12 December 2019. For each of the above engagements, Somerley received a fixed normal advisory fee from Yashili.

Save as disclosed above, we are not associated with the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them and, accordingly, considered ourselves eligible to give independent advice on the Proposal. Save as disclosed above, apart from normal professional fees payable to us in connection with this appointment and our report on the Profit Estimate (as defined below), no arrangement exists whereby we will receive any fee or benefits from the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors, which we have assumed to be true, accurate and complete in all material aspects at the Latest Practicable Date. We have also assumed that all representations contained or referred to in the Scheme Document were true, accurate and complete at the time they were made and remain so at the Latest Practicable Date. The Independent Shareholders will be informed of any material change in this regard as soon as possible up to the Effective Date. We have reviewed, among other things, the Announcement, the annual reports of the Company for the financial years ended 31 December 2015, 2016, 2017 and 2018 and the interim report of the Company for the six months ended 30 June 2019, the announcement of the Company in relation to the estimated annual results for 2019 dated 14 January 2020 and the valuation report as set out in the Scheme Document. We have also discussed with the Directors the “Material Change Statement” and the basis on which it is made, as set out in section 4 of Appendix I – Financial information relating to the Group to the Scheme Document. We have sought and received confirmation from the Directors that no material fact has been omitted from the information supplied and opinions expressed to us by them. We consider that the information we have received is sufficient for us to reach our opinion and advice as set out in this letter. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material fact has been omitted or withheld. We have not, however, conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification on the information supplied.

II. TERMS OF THE PROPOSAL

Under the Scheme, if the Proposal is approved and implemented, the Scheme Shares will be cancelled and, in consideration therefor, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$4.25 in cash for each Scheme Share cancelled. In addition, the Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

III. CONDITIONS OF THE PROPOSAL

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following major Conditions:

- (i) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all CO Disinterested Shares, provided that:
 - (a) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to TC Disinterested Shares that are cast either in person or by proxy at the Court Meeting; and
 - (b) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the TC Disinterested Shares;
- (ii) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled; and
- (iii) all authorisations, approvals, permissions, waivers and consents and all registrations and filings (including without limitation any which are required under or in connection with any applicable laws or regulations or any licences, permits or contractual obligations of the Company) in connection with the Proposal or its implementation and the withdrawal of listing of the Shares from the Stock Exchange in accordance with its terms which are required to be obtained (or, as the case may be, completed) prior to the completion of the Proposal having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification.

With reference to Condition (iii), so far as the Offeror is aware, the Offeror Parent will be required to submit to the National Development and Reform Commission of the PRC a status report in respect of the Proposal prior to the completion of the Proposal. Further details of the Conditions are set out in section 4 of Part VII – Explanatory statement of the Scheme Document. As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived.

IV. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Proposal, we have taken into account the following principal factors and reasons:

1. Background information of the Group

The Company is a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange with the stock code 606. The Group is a leading agribusiness and food processing company in the PRC. Its principal businesses are oilseeds processing, rice processing and trading, wheat processing and brewing materials. To capture future growth opportunities in the industry, the Company is actively engaging in the expansion of downstream B2C branded business, and established the well-known brands such as Fortune (福临门) and Xiangxue (香雪). Set out below are the Group's breakdown of revenue (by business segments) and segment results for the year ended 31 December 2018:

Figure 1: Breakdown of revenue (by business segments) for the year ended 31 December 2018

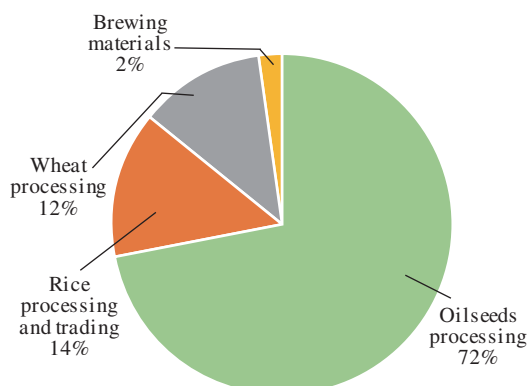
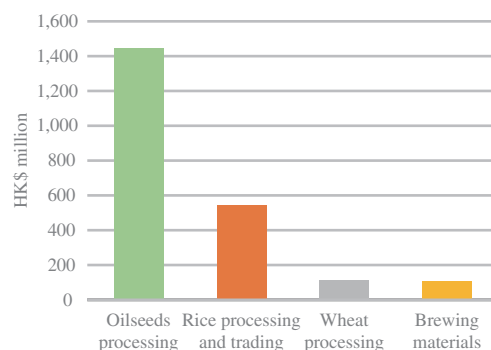


Figure 2: Segment results for the year ended 31 December 2018



Oilseeds processing business

The Group is one of the largest vegetable oil and oilseed meals producers in the PRC. The major products include soybean oil, palm oil, rapeseed oil and oilseed meals marketed under the brands including Fortune (福临门), Fuzhanggui (福掌柜), Sihai (四海), Xiyinying (喜盈盈) and Guhua (谷花). The oilseeds processing business is the Group's largest revenue contributor, accounting for over 70% of total revenue for the year ended 31 December 2018. As of 31 December 2018, the Group operated 21 oilseeds processing plants in China with a combined annual crushing processing capacity of 15.69 million metric tons and a combined annual refining processing capacity of 5.75 million metric tons. In addition, the Company increased its investments in brand marketing and the sales volume of consumer-packaged edible oil products increased by 18.3% in 2018 to 1,189,000 metric tons.

Rice processing and trading business

The Group is a leading packaged rice supplier and the largest rice exporter and importer in the PRC, through COFCO Group acting as the agent in the rice imports and exports, engaging primarily in the processing and trading of white and parboiled rice. The rice products are marketed under the brands including Fortune (福临门), Jinying (金盈), Five Lakes (五湖), Golden Terra (金地), Xin (薪) and Donghai Mingzhu (东海明珠). For the year ended 31 December 2018, rice processing and trading business accounted for 14% of the Group's total revenue. As of 31 December 2018, the Group operated 18 rice processing plants in the PRC with a combined annual processing capacity of 4.08 million metric tons.

Wheat processing business

The Group is one of the largest wheat processors in the PRC. Its products include general-purpose flour, special-purpose flour, noodles and breads and are marketed under the brands including Fortune (福临门) and Xiangxue (香雪). For the year ended 31 December 2018, wheat processing business accounted for 12% of the Group's total revenue. As of 31 December 2018, the Group operated 16 wheat processing

plants in the PRC with an aggregate annual processing capacity of 3.99 million metric tons of wheat and an aggregate annual production capacity of 237,300 metric tons of noodles and around 3,400 metric tons of baked foods.

Brewing materials business

The Group is a leading supplier of brewing materials in the PRC, engaging in the production of malt, with sales to the domestic market and exports to Southeast Asian countries and regions. For the year ended 31 December 2018, brewing materials business accounted for 2% of the Group's total revenue. As of 31 December 2018, the Group operated 2 malt processing plants in the PRC with a combined annual processing capacity of 825,000 metric tons.

Comments

The Group is a leading agribusiness and food processing company in China with a focus on processing and sales of oilseeds, rice, wheat and brewing materials. Oilseeds processing business accounted for over 70% of total revenue and being also the largest profit contributor for the year ended 31 December 2018. As advised by the management of the Group, the products of oilseeds processing business are vegetable oil and oilseed meals (which are mainly used in animal feeds). The international oilseeds market fluctuated widely due to the uncertain international trade environment and unstable weather in the main material growing regions, making the industry environment complex. The overall profitability of the oilseeds processing industry was relatively low, mainly due to sluggish demand for animal feeds because of the African swine fever epidemic in the domestic hog breeding industry. This is further discussed in the sections below.

2. Industry overview and prospects of the Group's businesses

Among the four major businesses of the Group, the oilseeds processing business accounted 72% of the total revenue of the Group for the year ended 31 December 2018. Soybean is the major raw material for the oilseeds processing business and its major products are the soybean meals and soybean oil.

Set out below are (i) the volume of soybean yield and import volume of soybean in the PRC for 2015–2019; (ii) the soybean price index for 2015–2019; (iii) PRC soybean meal spot price for 2019 and (iv) PRC soybean oil (fourth grade) spot price for 2019:

Table 1: Volume of soybean yield and import volume of soybean in the PRC for 2015–2019

(in million metric tons)	2015	2016	2017	2018	2019
Soybean yield	12.37	13.60	15.28	15.97	18.10
Import of soybean	81.69	83.91	95.53	88.03	88.51

Source: National Bureau of Statistics of the PRC (中國國家統計局) and the General Administration of Customs of the PRC (中國海關總署)

Figure 3: Soybean price index for 2015–2019



Source: website of International Grains Council

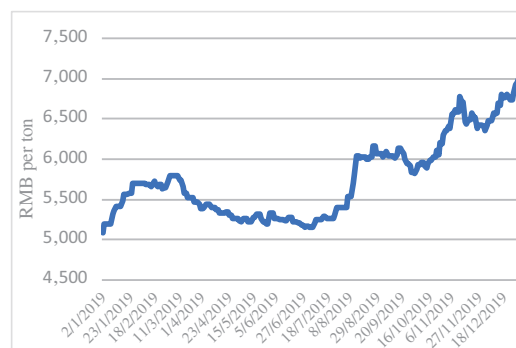
Note: The above index is a composite index comprising of US, Brazil and Argentina's free on board price.

Figure 4: PRC soybean meal spot price for 2019



Source: WIND

Figure 5: PRC soybean oil (fourth grade) spot price for 2019



Source: WIND

As shown in Table 1 above, the PRC is heavily reliant on overseas supply of soybean and, as shown in Figure 3 above, the soybean price has seen significant fluctuations from time to time. The US, Brazil and Argentina are the major export countries of soybeans and, according to the International Grains Council, their respective export prices fluctuated between US\$313–US\$371 per ton, US\$317–US\$380 per ton and US\$299–US\$374 per ton in the past 52-week. Furthermore, as shown in Figure 4 and 5 above, the soybean meal and soybean oil price fluctuated significantly in 2019 which on average surged by 8.42% and 11.77% in second half of 2019 as compared with first half of 2019, respectively.

We have discussed with the management of the Group the outbreak of African swine fever in the PRC which began in the second half of 2018. This has led to a decrease in demand for soybean meals by the hog breeding industry. Set out below are the year-on-year percentage changes in hog and sow inventories in the PRC for 2018–2019:

Table 2: Year-on-year percentage changes in hog and sow inventories in the PRC for 2018–2019

2018	Change in hog inventory	Change in sow inventory	2019	Change in hog inventory	Change in sow inventory
January	-0.1%	-1.2%	January	-12.6%	-14.8%
February	-0.8%	-0.8%	February	-16.6%	-19.1%
March	-0.3%	-0.8%	March	-18.8%	-21.0%
April	-1.5%	-2.1%	April	-20.8%	-22.3%
May	-2.0%	-3.9%	May	-22.9%	-23.9%
June	-1.8%	-2.9%	June	-25.8%	-26.7%
July	-2.0%	-4.0%	July	-32.2%	-31.9%
August	-2.4%	-4.8%	August	-38.7%	-37.4%
September	-1.8%	-4.8%	September	-41.1%	-38.9%
October	-1.8%	-5.9%	October	-41.4%	-37.8%
November	-2.9%	-6.9%			
December	-4.8%	-8.3%			

Source: Ministry of Agriculture and Rural Affairs of the PRC (中國農業農村部) and China Agricultural Information Network (中國農業信息網)

According to the data released by Ministry of Agriculture and Rural Affairs of the PRC, based on the information gathered from 400 surveillance points in the PRC, both the hog inventory and sow inventory recorded a low single digit year-on-year decline throughout 2018 but such decline began to expand significantly since the beginning of 2019. In October 2019, the hog inventory and sow inventory recorded year-on-year decreases of 41.4% and 37.8%, respectively.

In addition, subsequent to 31 December 2019, there have been reports of an outbreak of novel coronavirus 2019 (“**2019-nCoV**”) which, as of the World Health Organisation’s announcement dated 30 January 2020, it declared that the outbreak of 2019-nCoV now meets the criteria for a Public Health Emergency of International Concern. Given that this is so recent, the management of the Group considered that it is impracticable to assess its impact on the Group at this stage.

Comments

The volatility of the international soybean price affects the procurement cost of the Group as almost all of its soybeans, as advised by the management of the Group, are imported from overseas. It is reported that the Sino-US trade tension has caused a significant decrease in the procurement for US soybean products by edible oil processors in the PRC as a whole in 2018 due to the implemented trade tariffs on US soybean products by the PRC government. Despite, following the phase one of the Sino-US trade agreement has been signed in mid-January 2020, the export prices of soybean have seen some correction subsequently in the major export countries according to the International Grains Council, it remains uncertain as to how it will continue to impact the prices of grains and oilseeds on a longer term which, together with the outbreak of 2019-nCoV, may also impact the Group's operations.

The African swine fever epidemic has led to a decrease in demand for oilseed meals by the hog breeding industry and thus the prices of the soybean meals have been under pressure according to the management of the Group. The Group's oilseeds processing business was hit by a significant decrease in oilseed meal price for the first half of 2019 as shown in Figure 4 above. Based on Table 2, the increase in decline of the hog and sow inventories from 13%–15% in January 2019 to 38%–41% in October 2019 has led to heightened uncertainty as to when the epidemic will end. It is reported that there has been overcapacity of the oilseeds processing industry in the PRC and intense competition over the consumer-pack edible oil business. To sum up, the operating environment of the Group would remain challenging in the short-term due to the African swine fever epidemic and would be uncertain due to the volatility of soybean price amid the Sino-US trade tension in the long run.

3. Reasons for and benefits of the Proposal

The following has been extracted from section 9 of Part VII – Explanatory statement of the Scheme Document.

For the Offeror and the Company

- **The current function of the Company as a listed platform for financing is restricted:** The business of the Company involves global procurement of agricultural commodities. The Offeror considers that the uncertainty over the Company's development brought about by the slowdown of global economic growth, trade tensions and heightening of geopolitical risks have resulted in the underperformance of the Company's share price. The ability of the Company to raise funds from the capital markets has come under a certain degree of restriction, making it more difficult to make use of equity financing to provide sources of available funds to finance its business development, and to support the Offeror's and the Company's development strategies.

- **The Proposal will be favourable to streamlining the Company's governance, corporate and shareholding structures and enhancing management efficiency:** The Proposal, if successfully implemented, will be favourable to streamlining the Company's governance, corporate and shareholding structures, optimising organisation layout and avoiding additional governance costs and management fees resulting from maintaining the Company's listing status.
- **The Proposal will be favourable to the long-term development of business:** The Company is a core business of the Offeror. The Proposal will enhance the Offeror's comprehensive consolidation and integration of the Company's operations, giving the Offeror more flexibility and higher efficiency in supporting the long-term business development of the Company, which in turn will enable the Offeror to realise its own long-term development strategy.

For the Scheme Shareholders

- **Avoiding the potential risks brought about by the fluctuations of the Company's performance:** The Company operates in a relatively cyclical industry and its results performance is accordingly subject to a certain degree of fluctuation. Scheme Shareholders divesting their shareholdings through the Proposal will help avoid the potential risks brought about by market fluctuations to investors.
- **The degree of premium in the Cancellation Price is, in the view of the Offeror, attractive:** The Offeror considers that the Proposal will provide Scheme Shareholders with an opportunity to realise their investment in the Company at an attractive premium over the prevailing price of the Shares. The Cancellation Price of HK\$4.25 per share represents (i) a premium of approximately 34.07% over the closing price of HK\$3.17 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 53.17% over the average closing price of approximately HK\$2.77 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day; and (iii) a premium of approximately 72.49% over the average closing price of approximately HK\$2.46 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day.
- **Providing a good opportunity for the Shareholders to sell their Shares against the backdrop of relatively low liquidity:** The average daily trading volume of the Shares for the 120 trading days up to and including the Last Trading Day was approximately 4.97 million Shares per day, representing only approximately 0.09% of the issued Shares. The relatively low trading

liquidity of the Shares of the Company makes it difficult for the Shareholders to sell their shareholdings in large volume on the market without causing negative impact on the share price of the Company. The Proposal will provide a good opportunity for the Scheme Shareholders to sell their Shares, such that they will be able to realise their investment in the Company without giving rise to any discount in liquidity.

Comments

The limited usefulness of a listed platform to raise funds for financing business development has been a common reason for the recent privatisation proposals in Hong Kong, principally due to low liquidity of the shares and depressed valuations. Against this backdrop, listed companies (including the Company) are receiving proposals from their controlling shareholders at offer prices representing considerable premiums over the prevailing market prices in circumstances where the liquidity of the shares is generally low.

4. Analysis of the financial information of the Group

(a) Income statement

Set out below are the summarised consolidated statements of profit or loss of the Group and segment results for (i) each of the five years ended 31 December 2018 and (ii) the six months ended 30 June 2018 and 2019 as extracted from the annual reports of the Company for the years ended 31 December 2015, 2016, 2017 and 2018 and a interim report of the Company for the six months ended 30 June 2019.

Table 3: Summarised consolidated statements of profit or loss of the Group

	For the six months ended				For the year ended 31 December			
	30 June		2018	2017	2016		2015	2014
	2019	2018			2016	2016		
	HK\$' million (Unaudited)	HK\$' million (Unaudited)	HK\$' million	HK\$' million	HK\$' million (Restated) ⁽²⁾	HK\$' million	HK\$' million	HK\$' million
Revenue	59,754	48,320	108,821	87,856	78,049	89,163	82,548	93,239
Cost of sales	56,096	43,951	99,766	81,477	73,140	82,919	78,262	88,910
Gross profit	3,658	4,369	9,055	6,379	4,909	6,243	4,286	4,329
Other income and gains	266	253	633	1,014	782	1,530	1,675	1,625
Selling and distribution expenses	2,390	2,230	4,966	2,858	2,182	3,107	2,881	3,318
Administrative expenses	723	961	1,811	1,795	1,628	2,115	1,963	1,971
Profit/(loss) from continuing operations	401	1,000	1,633	1,619	1,091	1,532	(377)	(649)
Profit from a discontinued operation	-	-	-	1,759	441	-	-	-
Net profit/(loss) for the year	401	1,000	1,633	3,377	1,532	1,532	(377)	(649)
Net profit/(loss) attributable to the Shareholders	449	751	1,346	3,042	1,419	1,419	(333)	(775)
Dividend per Share (HK cents)	1.70	3.60	5.10	24.90 ⁽¹⁾	5.40	5.40	Nil	Nil

Notes:

- (1) Including an interim dividend of 4.00 HK cents, a final dividend of 0.90 HK cents and a special dividend of 20.0 HK cents following the disposal of biochemical and biofuel business which was completed on 27 December 2017.
- (2) The biochemical and biofuel business has been regarded as discontinued operation and therefore the figures have been restated and extracted from the Company's annual report for the year ended 31 December 2017.
- (3) Due to rounding, numbers presented may not add up precisely to the totals indicated.

(i) *Revenue*

Set out below is a summary of the Group's segment revenue (from external customers) for (i) each of the five years ended 31 December 2018; and (ii) the six months ended 30 June 2018 and 2019:

Table 4: Segment revenue of the Group

	Oilseeds processing HK\$' million	Rice processing and trading HK\$' million	Wheat processing HK\$' million	Brewing materials HK\$' million
1H 2019 (unaudited)	42,993	9,138	6,192	1,306
<i>% of total revenue</i>	71.9%	15.3%	10.4%	2.2%
1H 2018 (unaudited)	33,224	7,438	5,971	1,289
<i>% of total revenue</i>	68.8%	15.4%	12.4%	2.7%
2018	77,946	15,191	12,856	2,244
<i>% of total revenue</i>	71.6%	14.0%	11.8%	2.1%
2017	56,232	12,465	10,564	2,374
<i>% of total revenue</i>	64.0%	14.2%	12.0%	2.7%
2016 (restated)	50,434	9,196	8,946	2,685
<i>% of total revenue</i>	64.6%	11.8%	11.5%	3.4%
2015	41,053	9,986	8,528	2,617
<i>% of total revenue</i>	49.7%	12.1%	10.3%	3.2%
2014	53,714	7,746	9,002	2,739
<i>% of total revenue</i>	57.6%	8.3%	9.7%	2.9%

Notes:

- (1) The above table does not include revenue generated from the Group's corporate and others segment and discontinued operations (i.e. biochemical and biofuel business).
- (2) Due to rounding, percentages may not precisely reflect the absolute figures.

As shown in Table 3, for the six months ended 30 June 2018 and 2019, the Group recorded revenue of HK\$48,320 million and HK\$59,754 million, respectively, which represents an increase of 23.7% in the first half of 2019 as compared with the corresponding period in 2018. The increase was principally due to increased revenue generated by the Group's oilseeds processing business as both the sales volume of oilseed meals and vegetable oils saw a 17.4% and 26.0% growth despite the relevant product prices were hit by the outbreak of the African swine fever in the PRC. For the five years ended 31 December 2018, the Group recorded revenue of HK\$93,239 million, HK\$82,548 million, HK\$78,049 million (restated) (if without restatement, HK\$89,163 million), HK\$87,856 million and HK\$108,821 million, respectively, which represent a year-on-year decreases of 11.5% in 2015 and 5.5% in 2016 (restated) (if

without restatement, a year-on-year increase of 8.0%) and an increases of 12.6% in 2017 and 23.9% in 2018. The decrease in 2015 was largely due to the fall in domestic soybean meals prices influenced by depressing soybean price primarily caused by better than expected crop yield in the US and increasing competition from South American soybeans. The increase in 2016 (without restatement) was due to the sales volume of the Group's major products grew significantly and the overall capacity utilisation rate soared through the continuous efforts on market expansion, regional penetration and marketing collaboration. The increase in revenue in 2018 was due to significant growth across different businesses, which benefited from the Group's integrated business operation system, seizing market opportunities to reframe the pace of the business, registering 38.6%, 21.9% and 21.7% year-on-year increases in revenue by oilseeds processing, rice processing and trading and wheat processing business, respectively. As advised by the management of the Group, the resulting growth in the oilseeds processing business benefited from effective procurement and sourcing decisions made by the business teams of the Group based on a well-established international information network, vertically integrated supply chain and robust risk management system and the development of branded business.

(ii) Cost of sales

The Group's cost of sales mainly comprise (a) cost of inventories sold or services provided; (b) provision of inventories; (c) provision for loss on non-cancellable purchase commitments; (d) realised and unrealised fair value losses/gains of commodity futures contracts; and (e) fair value losses/gains on foreign currency forward contracts for hedging purpose.

The cost of sales for the six months ended 30 June 2018 and 2019 were HK\$43,951 million and HK\$56,096 million, respectively, representing a year-on-year increase of 27.6%. For the five years ended 31 December 2018, the Group recorded cost of sales of HK\$88,910 million, HK\$78,262 million, HK\$73,140 million (restated) (if without restatement, HK\$82,919 million), HK\$81,477 million and HK\$99,766 million, respectively, representing year-on-year decreases of 12.0% in 2015 and 6.5% in 2016 (restated) (if without restatement, a year-on-year increase of 6.0%), increases of 11.4% in 2017 and 22.5% in 2018. Based on our discussion with the management of the Group, it is understood that the Group needs to import substantial amount of soybean overseas for its production and it is thus exposed to the fluctuations in commodity and foreign exchange prices. On this basis, the business team leverages the Group's raw material procurement system to keep track of the changes in the market closely, appropriately adjust the sources of procurement and ensure a stable and sustainable supply of raw materials and also regularly engages in proprietary trading and hedging activities by entering into commodity futures contracts and foreign currency forward contracts.

(iii) Gross profit and gross profit margin

The gross profits for the six months ended 30 June 2018 and 2019 were HK\$4,369 million and HK\$3,658 million, respectively, representing a year-on-year decrease of 16.3%. The gross profit margin dropped by 2.9 percentage points to 6.1% compared with the corresponding period in 2018. The falling hog stocks during the period resulted in weaker demand and lower overall market prices of soybean meals and other materials for animal feeds and thus a narrower average profit margin of domestic oilseeds processing industry.

For the five years ended 31 December 2018, the Group recorded gross profits of HK\$4,329 million, HK\$4,286 million, HK\$4,909 million (restated) (if without restatement, HK\$6,243 million), HK\$6,379 million and HK\$9,055 million, respectively, representing a year-on-year decrease of 1.0% in 2015 and increases of 14.5% in 2016 (restated) (if without restatement, a year-on-year increase of 45.7%), 29.9% in 2017 and 42.0% in 2018. The significant increase in 2016 (without restatement) was a result that the Group benefited from larger business scale and costs structure optimisation. The almost 30% increase in gross profit in 2017 was due to the expansion in the Group's business scale to raise production capacity and consolidation of products to raise profitability. The gross profit margin was up 1.0 percentage point to 7.3% compared with previous year (restated). In 2018, the substantial increase in gross profit was mainly due to (a) further improvements in capacity utilisation and operational efficiency as a result of the increase in sales volume; and (b) further growth of the branded business. The gross profit margin increased by 1.0 percentage point to 8.3% as compared with previous year.

(iv) Other income and gains

For the five years ended 31 December 2018, the Group recorded other income and gains of HK\$1,625 million, HK\$1,675 million, HK\$782 million (restated) (if without restatement, HK\$1,530 million), HK\$1,014 million and HK\$633 million; and for the six months ended 30 June 2018 and 2019, HK\$253 million and HK\$266 million, respectively. Other income and gains comprise of government grants, storage income from agency purchase, logistic services, storage income and rental income, interest income, gain on disposal of raw materials, by-products and scrap items, etc. Various government grants have been received by the Group in certain provinces in mainland China for industries or locations in which the Company's subsidiaries operate. Fluctuations are seen in the government grants which amounted to HK\$466 million, HK\$1,119 million, HK\$218 million (restated) (if without restatement, HK\$707 million), HK\$124 million and HK\$130 million for the five years ended 31 December 2018; and HK\$49 million; and HK\$71 million for the six months ended 30 June 2018 and 2019, respectively.

(v) Selling and distribution expenses and administrative expenses

Due to an increase in logistic expenses owing to larger sales volume and marketing expenses for the branded business, the selling and distribution expenses increased by 7.2% from HK\$2,230 million for the six months ended 30 June 2018 to HK\$2,390 million for the same period in 2019, accounting for 4.6% and 4.0% of the Group's revenue during the period. For the five years ended 31 December 2018, the Group's selling and distribution expenses amounted to HK\$3,318 million, HK\$2,881 million HK\$2,182 million (restated) (if without restatement, HK\$3,107 million), HK\$2,858 million and HK\$4,966 million respectively, representing (a) 3.6%, 3.5%, 2.8% (restated) (if without restatement, 3.5%), 3.3% and 4.6% of the Group's revenue; and (b) year-on-year decreases of 13.2% in 2015 and 24.3% in 2016 (restated) (if without restatement, a year-on-year increase of 7.8%) and increases of 31.0% in 2017 and 73.8% in 2018. The substantial increase in selling and distribution expenses for 2018 was due to (a) the full-year contribution from a company engaged in consumer-pack edible oil business acquired in 2017; (b) further investments in advertising and promotion; and (c) increases in logistics expenses arising from expansion in business scale.

The Group's administrative expenses decreased by 24.8% year-on-year from HK\$961 million to HK\$723 million for the six months ended 30 June 2019 due to adjustments to performance based remuneration for employees and improvements in operational quality and efficiency. For the five years ended 31 December 2018, the Group's administrative expenses amounted to HK\$1,971 million, HK\$1,963 million, HK\$1,628 million (restated) (if without restatement, HK\$2,115 million), HK\$1,795 million and HK\$1,811 million respectively, representing year-on-year decreases of 0.4% in 2015 and 17.1% in 2016 (restated) (if without restatement, a year-on-year increase of 7.7%), increases of 10.3% in 2017 and 0.9% in 2018. The increase in administrative expenses for 2017 was due to higher employee compensation and larger research and development costs arising from exploring new technology, new production and new production process, while the small increase for 2018, despite a significant expansion of operation scale over the year, was due to continuous efforts to improve quality and increase efficiency.

(vi) Net profit attributable to the Shareholders

The net profit attributable to the Shareholders for the six months ended 30 June 2018 and 2019 were HK\$751 million and HK\$449 million, respectively, representing a decrease of 40.2% year-on-year. For the five years ended 31 December 2018, the Group recorded the loss attributable to the Shareholders of HK\$775 million and HK\$333 million and the profit attributable to the Shareholders of HK\$1,419 million, HK\$3,042 million and HK\$1,346 million, respectively. Excluding the contribution from the biochemical and

biofuel business which was disposed on 27 December 2017 and recorded a profit of HK\$441 million in 2016 and HK\$1,759 million (including disposal gain of HK\$1,011 million) in 2017, the net profit/(loss) of the Group for the five years ended 31 December 2018 were HK\$-649 million, HK\$-377 million, HK\$1,091 million (restated), HK\$1,619 million and HK\$1,633 million, respectively.

Set out below is a breakdown of segment results of the Group for the five years ended 31 December 2018 and the six months ended 30 June 2018 and 2019:

Table 5: Segment results of the Group

	Oilseeds processing <i>HK\$' million</i>	Rice processing and trading <i>HK\$' million</i>	Wheat processing <i>HK\$' million</i>	Brewing materials <i>HK\$' million</i>
For the six months ended 30 June (unaudited)				
2019	114	331	61	120
2018	644	395	104	(6)
For the year ended 31 December				
2018	1,443	546	114	105
2017	1,178	509	158	290
2016 (restated)	1,046	191	150	296
2015	(108)	124	63	211
2014	(1,519)	(17)	82	325

Note: The above table does not include segment results from the Group's corporate and others segment and discontinued operations (i.e. biochemical and biofuel business).

As shown in the above table, the poor performance of the oilseeds processing business has dragged down the overall profitability of the Group for the six months ended 30 June 2019. During the period, the oilseeds processing business ceased to be the largest profit contributor to the Group accounting for only 18.4% of the Group's total segment results, recording a 82.3% decline in segment profit. During the period, the oilseeds market fluctuated due to the uncertain international trade environment and unstable weather in the major material growing regions, making the industry environment more complex. The overall profitability of the oilseeds processing industry was squeezed mainly due to sluggish demand for animal feeds because of the epidemic in the domestic hog breeding industry. The gross profit margin of the Group's oilseeds processing business for the six months ended 30 June 2019 was down to 3.4% from 7.2% recorded in the corresponding period in 2018 despite there was an increase in sales volume of oilseed meals and vegetable oils as mentioned in item (i) above. The rice processing and trading business became the largest profit contributor to the Group for the six months ended 30 June 2019 despite its segment results decreasing by 16.1% as compared with the corresponding period of the previous year, accounting for 53.7% of the total segment results. The remaining two segments accounted for, in aggregate, 29.3% of the Group's total segment results with wheat processing business recording a 41.3% decrease in segment results year-on-year while the brewing business achieved a turnaround and became profitable again.

Over the past few years, the oilseeds processing business and the rice processing and trading business have been the growth drivers of the Group in terms of profitability. For the five years ended 31 December 2018, the segment results of oilseeds processing business were amounted to loss of HK\$1,519 million in 2014 and HK\$108 million in 2015 and profit of HK\$1,046 million in 2016 (restated), HK\$1,178 million in 2017 and HK\$1,443 million in 2018, respectively. We are advised by the management of the Group that the turnaround in 2016 and increase in 2018 was mainly driven by effective procurement and sourcing decisions made by the business teams of the Group based on a well-established international information network, vertically integrated supply chain and robust risk management system. For the five years ended 31 December 2018, the segment results of rice processing and trading business were amounted to loss of HK\$17 million in 2014 and profit of HK\$124 million in 2015, HK\$191 million in 2016 (restated), HK\$509 million in 2017 and HK\$546 million in 2018, respectively. We are advised by the management of the Group that the introduction of the new overseas business partners and creative business models had increased the export sales volume significantly year-on-year in 2017.

The Company has issued the announcement on 14 January 2020 in relation to the estimated annual results of the Group for 2019 (the “**Profit Estimate Announcement**”). As stated in the Profit Estimate Announcement, based on the Group’s unaudited consolidated management accounts for the year ended 31 December 2019, the Company expected the profit attributable to owners of the Company to range from HK\$1,200 million to HK\$1,240 million, being about 11% to 8% less than that of about HK\$1,346 million for the year ended 31 December 2018 (the “**Profit Estimate**”). The information contained in the Profit Estimate Announcement is regarded as a profit forecast under the Takeovers Code and therefore, is required to be reported on pursuant to Rule 10 of the Takeovers Code. The full text of the reports on Profit Estimate will be disclosed by way of an announcement to be issued within 5 days after the despatch of the Scheme Document (i.e. no later than Wednesday, 19 February 2020).

According to the Profit Estimate Announcement, in 2019, changes in trade policies of certain major global economies brought market fluctuations and made it more challenging for the Group to make business decisions. The breeding industry witnessed falling hog stocks mainly due to the impact of African swine fever, resulting in a weaker demand for soybean meal and other materials for animal feeds. Even though the prices of vegetable oil and oilseed meals rebounded from their lows in the second half of 2019, the average profit margin for the year in respect of domestic oilseeds processing industry narrowed as compared with that in 2018. The Group continued to implement its existing strategies, leverage its competitive, integrated model and steadily promote its branded business. As a result, business operations overall stabilised during the period.

(vii) Dividends

The Company paid dividends for each of the three years ended 31 December 2016, 2017 and 2018 but not in the two years prior to 2016. The total dividend payouts were approximately HK\$283 million, HK\$1,307 million (including special dividend of HK\$1,050 million for the completion of disposal of biochemical and biofuel business) and HK\$268 million, respectively. The interim dividend payouts for each of the six months ended 30 June 2018 and 2019 were approximately HK\$189 million and HK\$89 million, respectively. The decline in 2019 reflected the decline in the Group’s profitability. We note that the dividend payout correlates to the net earnings of the Group which has been volatile in the past couple of years.

In addition, according to the announcement of the Company in relation to declaration of a further interim dividend dated 4 February 2020, the Board resolved to declare the payment to the Shareholders a further interim dividend of 4 HK cents per Share in lieu of a final dividend for the year ended 31 December 2019 (“**Further Interim Dividend**”).

Comments

We have discussed the Company's historical operational and financial performance with the management of the Group. The oilseeds processing business is the largest contributor to the Group's total revenue and profit, accounting for 71.6% of the total revenue and 68.0% of the total segment results of the Group for the year ended 31 December 2018. However, a substantial decline in the profit from oilseeds processing business was seen in the first half of 2019 due to the epidemic in the domestic hog breeding industry combined with complex international trading environment and intense domestic competition. Despite the operating environment continued to be difficult, the overall business operations of the Group had been stabilised in the second half of 2019 and the Company expected a drop of 8% to 11% in profitability for the year ended 31 December 2019 as compared with previous year. The Company has been paying dividends to Shareholders except for 2014 and 2015, when the Company was loss-making, but save for the special dividend in 2017, the dividend payout ratio of the Company has been relatively low, ranging from 19% to 25%. The dividend yield at the Cancellation Price is only 1.3%, based on 2019 interim dividend and the Further Interim Dividend. The interim results of 2019 and the Profit Estimate have further underpinned the volatility of the Group's earnings which will affect not only the Share price but also the dividend payable to the Shareholders.

The Group needs to import substantial amount of soybean overseas for its production and it is thus exposed to fluctuations in overseas soybean and foreign currency prices. Against this background, the business team leverages the Group's raw material procurement system to keep track of the changes in the market closely, appropriately adjust the sources of procurement and ensure a stable and sustainable supply of raw materials and also regularly engages in proprietary trading and hedging activities by entering into commodity futures contracts and foreign currency forward contracts. Despite the Group's earnings has been stable in 2016 - 2018, volatility has been seen in its earnings in 2014, 2015 and the first half of 2019 as illustrated in Table 3 and Table 5 above. On this basis, one of the keys to maintain or increase the Group's profitability, in our view, is whether the business teams are able to optimise the cost structure by, amongst others, making effective procurement and sourcing decisions and mitigating the inventory price volatility and foreign currency risks.

(b) Financial position

Set out below are the summarised consolidated statements of financial position of the Group as at 31 December 2016, 2017 and 2018 and 30 June 2019 as extracted from the annual reports of the Company for the year ended 31 December 2017 and 2018 and the interim report of the Company for the six months ended 30 June 2019:

Table 6: Summarised consolidated statements of financial position of the Group

	As at 30 June 2019 HK\$' million (Unaudited)	As at 31 December 2018 HK\$' million	As at 31 December 2017 HK\$' million	2016 HK\$' million
Total assets	66,003	70,566	67,337	72,126
Property, plant and equipment	18,025	16,921	16,752	21,790
Goodwill	1,520	1,519	1,383	1,073
Intangible assets	600	612	641	57
Investments in associates	2,332	2,294	2,107	2,437
Inventories	22,965	23,314	22,631	17,887
Due from fellow subsidiaries/related companies/ultimate holding company/ non-controlling shareholders of subsidiaries/associates	2,927	5,522	1,974	2,937
Cash and cash equivalents	5,084	7,397	10,572	7,586
Restricted cash at bank	549	921	–	73
Total liabilities	32,162	37,370	33,058	41,814
Interest-bearing bank and other borrowings	18,500	22,191	19,181	23,190
Due to fellow subsidiaries/related companies/ultimate holding company/ immediate holding company/non-controlling shareholders of subsidiaries/ associates/intermediate holding companies	2,761	2,840	1,177	1,698
Net assets attributable to shareholders (“NAV”)	29,232	28,963	29,855	26,249

(i) *Total assets*

As at 31 December 2016, 2017 and 2018 and 30 June 2019, the total assets of the Group were HK\$72,126 million, HK\$67,337 million, HK\$70,566 million and HK\$66,003 million, respectively, representing a decrease of 6.6%, an increase of 4.8% and a decrease of 6.5%. The decrease of total assets as at 31 December 2017 as compared with 31 December 2016 was mainly due to disposal of subsidiaries engaged in biochemical and biofuel business, partially offset by the acquisition of the consumer-pack edible oil business. The decrease of total assets as at 30 June 2019 as compared with 31 December 2018 was primarily due to the decrease in the amounts due from fellow subsidiaries and cash and cash equivalents.

Property, plant and equipment

As at 31 December 2016, 2017 and 2018 and 30 June 2019, the Group had property, plant and equipment of HK\$21,790 million, HK\$16,752 million, HK\$16,921 million and HK\$18,025 million, respectively, representing a decrease of 23.1% and an increase of 1.0% and 6.5%, respectively. The property, plant and equipment are mainly processing plants, ports, processing machineries and construction in progress. As at 31 December 2018, the net carrying amount of buildings, machinery and equipment and construction in progress accounted the Group's property, plant and equipment of approximately 57%, 36% and 7%, which was similar to those recorded in 2017.

The property interests of the Group (the “**Properties**”) have been valued by Savills Valuation and Professional Services Limited (“**Savills**”), an independent and duly qualified Hong Kong valuer. The full text of the valuation report and certificate of the Properties for their respective market value as at 30 November 2019 (the “**Valuation Report**”) is set out in Appendix VI to the Scheme Document. According to the Valuation Report, the market values of the Properties attributable to the Group are approximately RMB9,363 million (or equivalent to approximately HK\$10,426 million, calculated based on the exchange rate of HK\$1.00 to RMB0.89802) as at 30 November 2019 (the “**Valuation**”).

We have reviewed the Valuation Report and discussed with Savills the methodology of and bases and assumptions adopted for the Valuation. We noted that Savills adopted the depreciated replacement cost approach (the “**DRC Approach**”) in valuing industrial properties in group I (for owner occupation) and group II (held for sale), due to the nature of the buildings and structures that were constructed, there are no readily identifiable market comparable, and the buildings and structures cannot be valued on the basis of direct comparison. The DRC Approach is based on an estimate of the

market value for the existing use of the land plus the current replacement costs of the buildings and structures, from which deductions are then made to allow for physical deterioration and all relevant forms of obsolescence and optimization. The DRC Approach is subject to adequate potential profitability of the concerned business. For the residential properties in property nos. 5, 9, 10, 15–17, 19, 29 and 31–34 in group I and property no. 77 in group II as set out under the Valuation Report, the direct comparison approach (the “**Direct Comparison Approach**”) is adopted by making reference to sales of comparable properties assuming sales of such properties on vacant possession basis. For properties in group III (under development), we noted that Savills valued the properties on the basis that it will be developed and completed in accordance with the Group’s latest development proposal provided to us and by the DRC Approach with regard to its prevailing cost level and status of construction as at the date of valuation.

The above valuation methodologies are, in our opinion, commonly used and reasonable approaches in establishing the market values of the Properties.

We noted from the Valuation Report that Savills did not assign any market value to certain properties as those properties did not have any relevant construction permits and/or title documents (where applicable). The total appraised value of the Properties attributable to the Group (excluding properties with no commercial value) as at 30 November 2019 amounted to approximately HK\$10,426 million which is higher than their book value as at 30 November 2019 of approximately HK\$9,490 million representing a revaluation surplus of approximately HK\$936 million.

Intangible assets and goodwill

As at 31 December 2016, 2017 and 2018 and 30 June 2019, the Group had intangible assets and goodwill of HK\$1,130 million, HK\$2,024 million, HK\$2,131 million and HK\$2,120 million, respectively. The aggregate amounts of the intangible assets and goodwill has been relatively stable except for an increase of HK\$894 million as at 31 December 2017 as compared with 31 December 2016 which is mainly due to the acquisition of consumer-pack edible oil business. The substantial portion of the goodwill of the Group is related to the oilseeds processing business and the intangible assets are mainly related to the right to use the trademarks.

(ii) *Total liabilities*

The total liabilities of the Group decreased from HK\$41,814 million as at 31 December 2016 to HK\$33,058 million as at 31 December 2017, then rose

slightly to HK\$37,370 million as at 31 December 2018 and declined slightly to HK\$32,162 million as at 30 June 2019. The interest-bearing bank and other borrowings as at 31 December 2016, 2017 and 2018 and 30 June 2019 were HK\$23,190 million, HK\$19,181 million, HK\$22,191 million and HK\$18,500 million, respectively, and the net gearing ratio of the Group (calculated as net debts divided by NAV) for the corresponding dates were 59.2%, 28.8%, 47.9% and 44.0%, respectively.

(iii) NAV and reassessed NAV

The NAV of the Group were HK\$26,249 million, HK\$29,855 million, HK\$28,963 million and HK\$29,232 million as at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively. The NAV per Share as at 30 June 2019 was HK\$5.56 (calculated based on a total of 5,260,699,388 Shares in issue as at the Latest Practicable Date).

The Properties of the Group have been valued by Savills as at 30 November 2019 as set out in the paragraph headed “Property, plant and equipment” above and the sum of the appraised value of those Properties are higher than the sum of their book value. The revaluation surplus from the valuation of property interests attributable to the Group as at 30 November 2019 has been adjusted to reflect the current net asset value of the Group (the “**Reassessed NAV**”) which is set out in the table below.

	<i>HK\$'million</i>
NAV as at 30 June 2019 (unaudited)	29,232
<i>Adjustments:</i>	
Add: Revaluation surplus arising from the independent property valuation of property interests attributable to the Group as at 30 November 2019 ⁽¹⁾	936
Less: Deferred tax on attributable revaluation surplus of property interests attributable to the Group ⁽²⁾	233
Reassessed NAV	<u>29,935</u>
Reassessed NAV per Share (HK\$) ⁽³⁾	5.69
Cancellation Price per Scheme Share (HK\$)	4.25
Discount to Reassessed NAV per Share	25.31%

Notes:

- (1) Based on the independent property valuation of the property interests attributable to the Group as at 30 November 2019 as set out the Valuation Report and the carrying values of the such property interests as at 30 November 2019.
- (2) Adjustment for the potential tax arising from the valuation surplus as provided by the management of the Group.
- (3) The calculation is based on the total issued shares of the Company of 5,260,699,388 as at the Latest Practicable Date.

As set out in the above table, the Cancellation Price of HK\$4.25 per Scheme Share represents a discount of approximately 25.31% over the Reassessed NAV per Share of approximately HK\$5.69.

Comments

The NAV of the Group attributable to the Shareholders was HK\$29,232 million or HK\$5.56 per Share as at 30 June 2019.

The aggregate value of intangible assets and goodwill was HK\$2,120 million or HK\$0.40 per Share as at 30 June 2019. The goodwill substantially relates to the oilseeds processing business and the intangible assets mainly relate to the right to use trademarks by the Group for its branded products business. Consequently, we consider the goodwill and intangible assets should also be taken into account when evaluating the net asset value of the Group.

The Reassessed NAV of the Group attributable to the Shareholders is HK\$5.69 per Share as compared with the NAV per Share of HK\$5.56, representing a HK\$0.13 difference. We are given the understanding by the management of the Group that majority of the Properties are held by the Group for its production use. In addition, the Group has no plans for the sale of the Properties (save for property nos. 74 and 77 which are valued by Savills at RMB72.15 million).

We wish to emphasise that the Board has given no indication that any portion of the business or asset (save for property nos. 74 and 77) may be for sale. The Offeror has stated that it intends to continue with the existing businesses of the Group and does not intend to introduce major changes to the business of the Group (including redeployment of fixed assets of the Group). Consequently, the assumption that the assets of the Group may be sold in the market based on its NAV or Reassessed NAV is not realistic. The discount to the NAV per Share or the Reassessed NAV per Share as represented by the Cancellation Price is typical for this kind of transaction, falling approximately in the middle of the range of discounts as represented by cancellation consideration

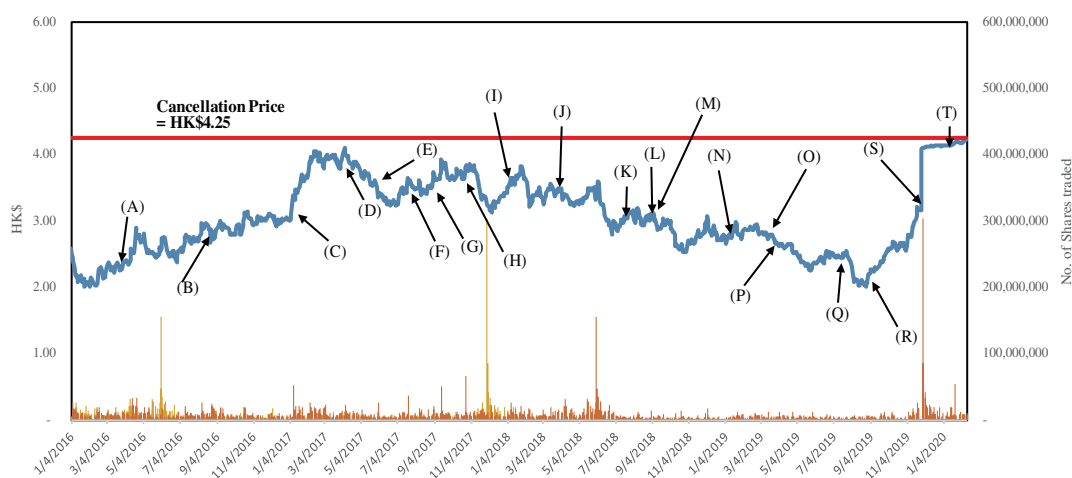
as compared to the respective NAV per share or reassessed NAV per share of the privatisation precedents as discussed in section 7 below.

5. Analysis of market price of the Shares

(a) *Historical price performance compared with the Cancellation Price of HK\$4.25 per Scheme Share*

Given the Company had turned into profitable in 2016 after loss-making for two consecutive years (2014–2015), the Share price performance since 1 January 2016 is, in our view, useful and relevant for the Scheme Shareholders in considering the Proposal. Set out below is Share price performance from 1 January 2016 up to and including the Latest Practicable Date (the “**Review Period**”):

Figure 6: Share price chart



Source: Bloomberg and the Stock Exchange website

During the Review Period, the Company made a number of significant announcements, which are summarised below:

Event	Date of announcement	Description of the events/transactions
(A)	23 March 2016	Final results for the year ended 31 December 2015
(B)	24 August 2016	Interim results for the six months ended 30 June 2016
(C)	6 January 2017	Positive profit alert

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Event	Date of announcement	Description of the events/transactions
(D)	29 March 2017	Final results for the year ended 31 December 2016
(E)	25 May 2017	Acquisition of a company which was engaged in the sale, distribution and marketing of consumer-pack edible oil and other kitchen food products from a connected person
(F)	19 July 2017	Positive profit alert
(G)	30 August 2017	Interim results for the six months ended 30 June 2017
(H)	23 October 2017	Disposal of subsidiaries which were engaged in the production and sale of corn-based fuel ethanol as well as other corn-based products to a connected person
(I)	8 January 2018	Positive profit alert
(J)	28 March 2018	Final results for the year ended 31 December 2017
(K)	17 July 2018	Estimated interim results for the six months ended 30 June 2018
(L)	29 August 2018	Interim results for the six months ended 30 June 2018
(M)	31 August 2018	Acquisition of companies which held 4 oilseeds processing plants in the PRC from a connected person and capital increase in a company which was held by a connected person and is engaged in development of port terminal facilities
(N)	11 January 2019	Estimated final results for the year ended 31 December 2018

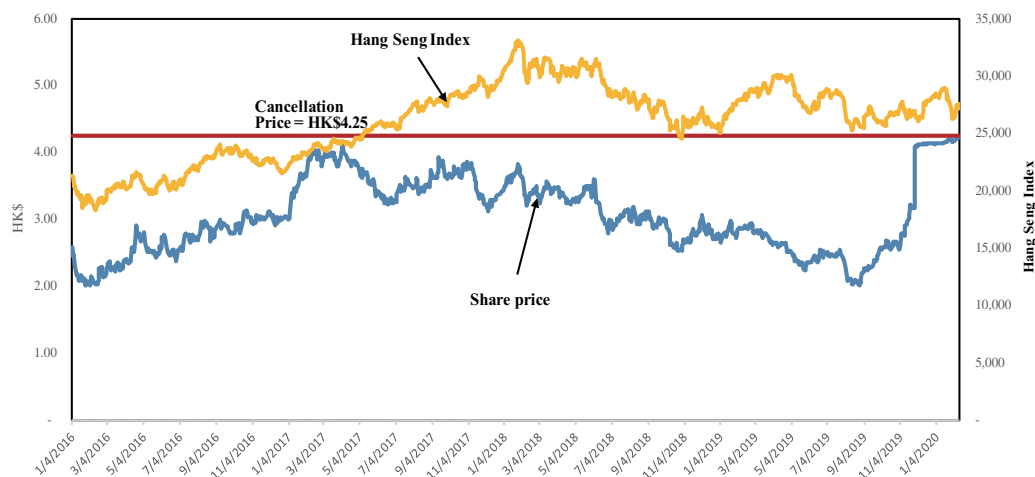
PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Event	Date of announcement	Description of the events/transactions
(O)	13 March 2019	Capital increase in two non-wholly owned subsidiaries which are connected entities and engaged in procurement, warehousing, processing and sales of grains and rice
(P)	27 March 2019	Final results for the year ended 31 December 2018
(Q)	10 July 2019	Estimated interim results for the six months ended 30 June 2019
(R)	28 August 2019	Interim results for the six months ended 30 June 2019
(S)	27 November 2019	The Announcement
(T)	14 January 2020	Estimated final results for the year ended 31 December 2019

During the period from 1 January 2016 to the Last Trading Day, the Shares closed between HK\$2.02 and HK\$4.11, lower than the Cancellation Price of HK\$4.25.

The closing price saw a general upward trend at the beginning of the Review Period. Although in March 2016 the Company reported a loss attributable to the Shareholders of HK\$332.7 million for the year ended 31 December 2015, the Share price continued to appreciate throughout the year. As shown in the above table, no significant transaction announcement was made by the Company and the Share price moved largely in line with the Hang Seng Index during 2016.

Figure 7: Movements of the Share price and the Hang Seng Index



A rally in Share price was seen at the beginning of 2017 after the release of profit alert announcement in January 2017. The closing price increased from HK\$3.07 on 6 January 2017 to HK\$4.11 on 5 April 2017. The Company returned to its profitability for the year ended 31 December 2016 and reported a net profit attributable to the Shareholders of HK\$1,419 million on 29 March 2017. From May 2017, the Share price started to fall gradually, uncorrelated to the Hang Seng Index. The average closing price dropped from HK\$3.61 in 2017 to HK\$3.14 in 2018 and fell further to HK\$2.56 during the period from 1 January 2019 until the Last Trading Day. During the period from May 2017 to the Last Trading Day, the Company announced a series of transaction as summarised above. Nonetheless, the relative under-performance against the Hang Seng Index persisted.

Trading of the Shares was suspended from 25 November 2019 to 27 November 2019 pending the release of the Announcement. The Shares closed at HK\$4.09 on 28 November 2019 (being the first trading day after the release of the Announcement), representing an increase of 29.0% from the last closing price before the trading halt and a discount of 3.9% to the Cancellation Price. After the release of the Announcement and up to the Latest Practicable Date, the closing price of the Shares was between HK\$4.09 and HK\$4.23, with an average closing price of HK\$4.15. As at the Latest Practicable Date, the price of the Shares closed at HK\$4.23.

In summary, a comparison of the Cancellation Price of HK\$4.25 per Scheme Share with the recent closing prices of the Shares is set out as follows:

Table 7: Share price comparisons

	Closing price or average closing price of the Shares⁽²⁾	Premium of the Cancellation Price of HK\$4.25 per Scheme Share over the closing price or average closing price of the Shares⁽²⁾
Last Trading Day	HK\$3.17	34.07%
10 trading days ⁽¹⁾	HK\$3.02	40.92%
30 trading days ⁽¹⁾	HK\$2.77	53.17%
60 trading days ⁽¹⁾	HK\$2.58	64.73%
90 trading days ⁽¹⁾	HK\$2.46	72.49%
120 trading days ⁽¹⁾	HK\$2.46	72.62%
180 trading days ⁽¹⁾	HK\$2.50	69.96%
Latest Practicable Date	HK\$4.23	0.47%

Source: Bloomberg and the Stock Exchange website

Notes:

- (1) Up to and including the Last Trading Day.
- (2) The average closing price per Share has been rounded to two decimal places and the premium of the Cancellation Price over the average closing price per Share has been calculated based on the average closing price per Share before rounding and are consistent with the disclosure in the Scheme Document.

The Cancellation Price of HK\$4.25 per Scheme Share represents a premium of about 34.07%–72.62% over the Share price on the Last Trading Day and the average closing price of the Shares for the 10-, 30-, 60-, 90-, 120- and 180-trading day (up to and including the Last Trading Day) before the release of the Announcement. We consider that the Share price following the release of the Announcement has been largely determined by the terms of the Proposal and the Scheme.

(b) Trading liquidity of the Shares

Set out in the table below are the monthly total trading volumes of the Shares and the percentages of such monthly total trading volumes to the total issued Shares and the public float of the Company from the start of 2018 to the Latest Practicable Date:

Table 8: Trading liquidity of the Shares

	Monthly total trading volume of the Shares	Percentage of the monthly total trading volume of the Shares to the total issued Shares⁽¹⁾	Percentage of the monthly total trading volume to the public float⁽²⁾
2018			
January	261,117,179	4.96%	12.65%
February	139,283,881	2.65%	6.75%
March	199,812,674	3.80%	9.68%
April	225,671,471	4.29%	10.93%
May	441,355,795	8.39%	21.37%
June	313,449,717	5.96%	15.18%
July	92,634,736	1.76%	4.49%
August	115,724,412	2.20%	5.60%
September	83,886,952	1.59%	4.06%
October	89,440,423	1.70%	4.33%
November	78,993,088	1.50%	3.83%
December	71,571,728	1.36%	3.47%
2019			
January	119,452,789	2.27%	5.78%
February	102,613,844	1.95%	4.97%
March	102,265,956	1.94%	4.95%
April	112,607,000	2.14%	5.45%
May	109,358,718	2.08%	5.30%
June	72,319,720	1.37%	3.50%
July	69,829,509	1.33%	3.38%
August	96,351,004	1.83%	4.67%
September	109,308,290	2.08%	5.29%
October	81,967,467	1.56%	3.97%
November ⁽³⁾	561,346,300	10.67%	27.19%
December	316,050,913	6.01%	15.31%

	Monthly total trading volume of the Shares	Percentage of the monthly total trading volume of the Shares to the total issued Shares⁽¹⁾	Percentage of the monthly total trading volume to the public float⁽²⁾
2020			
January	214,031,000	4.07%	10.37%
From 1 February 2020 up to and including the Latest Practicable Date	59,208,526	1.13%	2.87%

Source: Bloomberg and the Stock Exchange website

Notes:

- (1) The calculation is based on the monthly total trading volumes of the Shares divided by the total issued Shares of the Company of 5,260,699,388 as at the Latest Practicable Date.
- (2) The calculation is based on the monthly total trading volumes of the Shares divided by the total number of Shares in the public float of 2,064,897,131 as at the Latest Practicable Date.
- (3) Trading in the Shares was suspended from 25 November 2019 to 27 November 2019 pending to the release of the Announcement.

Based on the above table, we are of the view that the liquidity of the Shares was generally low during the period save for the surges in trading volume from April to June 2018 following the announcement of the Company's final results for the year ended 31 December 2017 on 28 March 2018, and in November and December 2019 following the release of the Announcement.

As the Shares cannot be regarded as having been actively traded, the Proposal provides an exit opportunity for the Scheme Shareholders (especially those with relatively sizeable shareholdings) who would like to realise their investments in the Shares at a fixed cash price without disturbing the market price.

(c) Discount of the Share price to the NAV per Share

The Cancellation Price of HK\$4.25 per Scheme Share represents a discount of approximately 23.56% to the NAV per Share of approximately HK\$5.56 as at 30 June 2019 (calculated based on a total of 5,260,699,388 Shares in issue as at the Latest Practicable Date). We have reviewed, as set out in the chart below, the discounts of Share price to the NAV per Share (based on the interim and annual results announcements and the monthly returns) from time to time, which is set out in the following chart:

Figure 8: Movements of the discounts of the Share price to the NAV per Share



As set out in the chart above, the Shares have been trading at a discount to NAV per Share throughout the Review Period, ranging from 17.18% to 63.34% and at discounts deeper than the discount of 23.56% as represented by the Cancellation Price in 903 trading days out of a total of 958 trading days during the period from 1 January 2016 to the Last Trading Day.

During the period from 1 January 2019 to the Last Trading Day, the Shares have been trading at discounts to the NAV per Share ranging from 42.09% to 63.34%. The discounts of the closing price of the Shares narrowed to approximately 23.92% as at the Latest Practicable Date. Based on the Cancellation Price of HK\$4.25 per Scheme Share and the NAV per Share of approximately HK\$5.56 as at 30 June 2019, the Cancellation Price represents a discount to the NAV per Share of approximately 23.56%, which is significantly less than the historical discounts of the Shares for most of the time as shown in Figure 8 above.

Comments

As mentioned above, the Shares (i) closed lower than the Cancellation Price; and (ii) have been traded at deeper discounts to NAV per Share during the Review Period. In addition, we are of the view that the Shares have not been actively traded in the year before the release of the Announcement and therefore the Proposal provides an opportunity for the Scheme Shareholders to exit at a fixed cash. The recent over-performance of the Shares is, in our opinion, due to the release of the Announcement. Shareholders should therefore be aware that the current Share price may not be sustainable if the Proposal and the Scheme lapse and the Share price may return to the level before the release of the Announcement.

6. Comparable companies analysis

The Group is a leading agribusiness and food processing company in China with a focus on processing and sales of oilseeds, rice, wheat and brewing materials, with the oilseeds processing business accounting for over 70% of its total revenue for the year ended 31 December 2018. Therefore, based on Bloomberg and AASTOCKS's equity screening tools and with reference to the relevant company descriptions, we have identified, on a best effort basis, the companies listed in Hong Kong which are profitable in the latest financial year with over 50% of their revenue derived from the PRC market and are primarily engaged in (i) oilseeds processing business; or (ii) rice processing and trading businesses, and crop extracts manufacturing business including starch manufacturing (the “Comparable Companies”). Those Comparable Companies, based on the above selection criteria as far as we are aware of, are exhaustive, and are thus considered to be fair and representative samples. Details of the Comparable Companies are set out in the table below:

Table 9: Comparable Companies

Company	Principal business	Market capitalisation as at the date of the Announcement ⁽¹⁾	Net assets ⁽²⁾	Price-to-earning ratio (“PER”) ⁽³⁾	Price-to-book ratio (“PBR”) ⁽⁴⁾
		(HK\$ million)		(times)	(times)
Lam Soon (Hong Kong) Limited (“Lam Soon”) (stock code: 411)	Manufacture and sale of a broad range of food products including flour and edible oil with flour and edible oil accounted for 87% of the total revenue for the year ended 30 June 2019	3,504.30	2,323.83	10.30	1.51

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Company	Principal business	Market capitalisation as at the date of the Announcement ⁽¹⁾ (HK\$ million)	Net assets ⁽²⁾ (HK\$ million)	Price-to-earning ratio ("PER") ⁽³⁾ (times)	Price-to-book ratio ("PBR") ⁽⁴⁾ (times)
Changshouhua Food Company Limited ("Changshouhua") (stock code: 1006)	Manufacture and sale of edible corn oil products for domestic or export bulk sales with corn edible oil accounted for 82% of the total revenue for the year ended 31 December 2018	2,064.82	3,492.47	5.46	0.59
China Starch Holdings Limited ("China Starch") (stock code 3838)	Manufacture and sale of cornstarch, lysine, starch-based sweetener, modified starch and ancillary corn-based and corn-refined products with cornstarch and ancillary corn accounted for 70% of the total revenue for the year ended 31 December 2018	911.38	3,066.58	5.00	0.30
			Average	6.92	0.80
			Minimum	5.00	0.30
			Maximum	10.30	1.51
The Company	Principal businesses are oilseeds processing, rice processing and trading, wheat processing and brewing materials with oilseeds processing accounted for over 70% of total revenue for the year ended 31 December 2018	16,670.98	29,232.12	15.97	0.57
				21.42⁽⁵⁾	0.76⁽⁵⁾

Source: Bloomberg, the website of the Stock Exchange and AASTOCKS

Notes:

- (1) The market capitalisation of the comparable companies and the Company are calculated based on the closing price of the respective companies as at the date of the Announcement multiplied by the number of ordinary shares as set out in their respective monthly return for 31 October 2019.
- (2) The net assets of the comparable companies and the Company are referenced from their most recent published annual reports/interim results.

- (3) The PERs of the comparable companies are calculated based on the market capitalisation of the respective companies as at date of the Announcement divided by the earnings of the respective companies for the trailing or latest 12 months based on their most recently published annual reports/interim results.
- (4) The PBRs of the comparable companies are calculated based on the market capitalisation of the respective companies as at date of the Announcement divided by net assets attributable to the shareholders of the relevant companies as referenced from their most recently published annual reports/interim results.
- (5) The PER and PBR of the Company are calculated based on the Cancellation Price of HK\$4.25.

A total of 3 Comparable Companies have been identified. As shown above, the PERs of the Comparable Companies ranged from 5.00 times to 10.30 times with an average of 6.92 times. The PBRs ranged from 0.30 times to 1.51 times with an average of 0.80 times. The Company's PER of 21.42 times as represented by the Cancellation Price is significantly higher than those of the Comparable Companies. The Company's PBR of 0.76 times as represented by the Cancellation Price is very close to the average of the Comparable Companies.

We have also considered that Wilmar International Limited ("**Wilmar**"), a company listed on Singapore Exchange and the leading oilseed crusher, agriproduct producer of branded consumer-pack oils, rice and flour in the PRC which generated around 56% of its revenue from the PRC. Wilmar has a PER of 17.97 times and a PBR of 1.19 times as at the date of the Announcement. Although each of Wilmar and the Company is one of the leading oilseeds crushers and agriproduct producers in the PRC, Wilmar is listed on a different stock exchange and may be valued differently as a result. We consider that its PER and PBR provide a secondary check only when evaluating the Cancellation Price.

Comments

Three Comparable Companies are identified and are considered to engage in similar business segment as the Company but their businesses, operations, size, and prospects are not exactly the same as those of the Company. Not only the market capitalisation and net asset values of the three Comparable Companies are substantially smaller than the Company's but their business models and major raw materials for production are also different from the Group to some extent. Given the Group needs to import substantial amount of soybean overseas for its production, the business team leverages the Group's raw materials procurement system to keep track the changes in the market closely, appropriately adjust the sources of procurement and ensure a stable and sustainable supply of raw materials and also regularly engages in proprietary trading and hedging activities by entering into commodity futures contracts and foreign currency forward contracts while Changshouhua and China Starch have not engaged in the use of derivative financial instruments and Lam Soon has only engaged in foreign exchange forward contracts suggesting that they may not be significantly exposed to inventory price volatility and foreign currency risks (where appropriate). Their profitability are also far less volatile as compared with the

Company as evidenced by their profit record over the past five years. Amongst the three Comparable Companies, (i) Lam Soon's valuation is the highest in terms of both PER and PBR, which may be due to its well-known product brands; and (ii) the PERs of Changshouhua and China Starch are similar and their PBRs are 0.60 times or below. On the above bases, their multiples could only provide a general reference. It is also noted that Wilmar, which is the leading PRC oilseed crusher and agriproduct producer and listed on the Singapore Exchange, is considered a close competitor of the Company but is treated as a secondary comparable for the reasons given above.

On the above basis, we are of the view that the Comparable Companies and Wilmar are not useful to draw a meaningful comparison to the Cancellation Price.

7. Privatisation precedents

We have compared the Proposal with privatisation proposals of other companies listed on the Stock Exchange announced since 1 January 2017 and up to the Latest Practicable Date, excluding privatisation proposals which were not or are yet to be approved (or, where applicable, required acceptance level were not or yet to be achieved) or without a cash cancellation consideration (the **"Privatisation Precedents"**), which represent an exhaustive list of privatisation proposals we were able to identify from the Stock Exchange's website satisfying the above selection criteria. The table below illustrates the premiums or discounts represented by the offer/ cancellation consideration over or to the respective last trading day, 10-, 30-, 60-, 90-, 120- and 180-trading day (up to and including the last trading day) average share prices, latest NAV per share and reassessed NAV per share in respect of such privatisation proposals, respectively. The Privatisation Precedents set out below provide, in our view, a comparison between the cancellation price and the then prevailing market prices, NAV per share and reassessed NAV per share of successful privatisation proposals, although the business nature and scale of each company vary and some aspects of pricing may be industry-specific.

Table 10: Privatisation Precedents

Premium/(discount) of offer/cancellation price over/to the average share price prior to the privatisation proposal											
Date of initial announcement	Company	Last trading day ⁽³⁾ (%)	10 trading days ⁽²⁾⁽³⁾ (%)	30 trading days ⁽²⁾⁽³⁾ (%)	60 trading days ⁽²⁾⁽³⁾ (%)	90 trading days ⁽²⁾⁽³⁾ (%)	120 trading days ⁽²⁾⁽³⁾ (%)	180 trading days ⁽²⁾⁽³⁾ (%)	Premium/ (discount) of	Premium/ (discount) of	NAV per share ⁽³⁾⁽⁵⁾ (%)
									NAV per share ⁽¹⁾⁽³⁾ (%)	NAV per share ⁽¹⁾⁽³⁾ (%)	
1-Nov-19	Springland International Holdings Limited (1700)	63.12	64.29	56.46	55.41	53.33	51.32	48.39	(18.15)		(38.83)
20-Oct-19	Dah Chong Hong Holdings Limited (1828)	37.55	42.31	54.81	56.12	54.17	49.80	41.22	(28.16)		N/A
3-Oct-19	Huaneng Renewables Corporation Limited (958)	18.73	18.28	29.39	40.27	42.79	44.09	41.52	(4.52)		N/A
12-Aug-19	TPV Technology Limited (903)	41.39	50.78	54.40	74.66	87.38	104.23	138.27	(24.76)		N/A
27-Jun-19	Asia Satellite Telecommunications Holdings Ltd. (1135)	23.43	33.42	44.35	50.52	56.51	63.52	70.90	10.01		N/A
18-Jun-19	C.P. Lotus Corporation (121)	10.00	10.00	22.00	38.00	22.00	22.00	22.00	52.78		N/A

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Premium/(discount) of offer/cancellation price over/to the average share price prior to the privatisation proposal

Date of initial announcement	Company	Last trading day ⁽³⁾ (%)	10 trading days ^{(2)/(3)} (%)	30 trading days ^{(2)/(3)} (%)	60 trading days ^{(2)/(3)} (%)	90 trading days ^{(2)/(3)} (%)	120 trading days ^{(2)/(3)} (%)	180 trading days ^{(2)/(3)} (%)	Premium/ (discount) of NAV per share ^{(1)/(3)} (%)	Premium/ (discount) of reassessed NAV per share ^{(3)/(5)} (%)
14-Jun-19	China Automation Group Limited (569)	23.97	36.36	47.06	47.06	47.06	45.63	42.86	16.01	16.92
4-Apr-19	China Hengshi Foundation Company Ltd. (1197)	10.62	16.82	17.37	19.05	24.38	25.63	27.55	42.05	N/A
28-Mar-19	China Power Clean Energy Development Company Ltd. (735)	41.93	60.77	78.10	93.95	101.85	105.66	88.58	(35.08)	N/A
5-Dec-18	Hopewell Holdings Limited (54)	46.69	51.56	55.51	54.09	49.63	48.20	43.65	(35.56)	(42.98)
30-Oct-18	Advanced Semiconductor Manufacturing Corporation Limited (3355)	66.67	97.37	100.00	92.31	89.87	87.50	85.19	89.87	N/A
27-Sep-18	Sinotrans Shipping Ltd. (368)	50.00	54.29	42.86	37.76	32.35	32.35	27.96	(25.21)	N/A

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Premium/(discount) of offer/cancellation price over/to the average share price prior to the privatisation proposal

Date of initial announcement	Company	Last trading day ⁽³⁾ (%)	10 trading days ^{(2)/(3)} (%)	30 trading days ^{(2)/(3)} (%)	60 trading days ^{(2)/(3)} (%)	90 trading days ^{(2)/(3)} (%)	120 trading days ^{(2)/(3)} (%)	180 trading days ^{(2)/(3)} (%)	Premium/ (discount) of NAV per share ^{(1)/(3)} (%)	Premium/ (discount) of reassessed NAV per share ^{(3)/(5)} (%)
10-Jun-18	Hong Kong Aircraft Engineering Company Limited (44)	63.20	65.12	62.43	60.25	56.96	54.20	49.98	99.25	42.31
7-Jun-18	Portico International Holdings Ltd. (589)	50.18	52.99	49.09	45.39	45.91	48.01	49.64	(9.89)	N/A
10-Nov-17	Welling Holding Ltd. (382)	30.38	30.38	33.77	35.53	28.75	24.85	22.62	22.62	N/A
3-Jul-17	China Assets (Holdings) Limited (170)	61.52	73.91	76.62	77.08	76.62	75.26	73.91	(53.82)	N/A
19-Jun-17	Bloomage BioTechnology Corporation Limited (963)	13.99	23.39	24.43	30.30	33.72	35.16	32.52	215.28	N/A
29-May-17	China Metal International Holdings Inc. (319)	27.54	26.47	25.94	22.86	24.38	23.36	18.50	27.54	N/A

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Premium/(discount) of offer/cancellation price over/to the average share price prior to the privatisation proposal

Date of initial announcement	Company	Last trading day ⁽³⁾ (%)	10 trading days ^{(2)/(3)} (%)	30 trading days ^{(2)/(3)} (%)	60 trading days ^{(2)/(3)} (%)	90 trading days ^{(2)/(3)} (%)	120 trading days ^{(2)/(3)} (%)	180 trading days ^{(2)/(3)} (%)	Premium/ (discount) of NAV per share ^{(1)/(3)} (%)	Premium/ (discount) of reassessed NAV per share ^{(3)/(5)} (%)
28-Apr-17	Belle International Holdings Ltd. (1880)	19.54	23.53	21.39	23.05	28.31	30.17	26.51	75.46	69.59
20-Apr-17	TCC International Holdings Limited (1136)	38.46	42.86	51.26	66.67	76.47	78.22	88.48	(4.00)	(8.86)
29-Mar-17	Goldin Properties Holdings Limited (0283)	14.21	31.39	33.73	31.39	33.33	38.89	44.00	101.34	28.57
13-Mar-17	Shangdong Luoxin Pharmaceutical Group Stock Co., Ltd. (8058)	31.78	33.44	39.69	48.60	54.55	55.25	50.44	223.81	N/A
7-Mar-17	Yingde Gases Group Company Limited (2168)	(3.54)	8.11	20.00	45.63	57.07	63.93	74.93	46.70	N/A
10-Jan-17	Intime Retail (Group) Company Limited (1833)	42.25	47.93	51.75	53.61	52.67	54.08	53.61	60.86	39.95

Premium/(discount) of offer/cancellation price over/to the average share price prior to the privatisation proposal

Date of initial announcement	Company	Last trading day ⁽³⁾ (%)	10 trading days ^{(2)/(3)} (%)	30 trading days ^{(2)/(3)} (%)	60 trading days ^{(2)/(3)} (%)	90 trading days ^{(2)/(3)} (%)	120 trading days ^{(2)/(3)} (%)	180 trading days ^{(2)/(3)} (%)	Premium/ (discount) of NAV per share ^{(1)/(3)} (%)	Premium/ (discount) of reassessed NAV per share ^{(3)/(5)} (%)
	Maximum	66.67	97.37	100.00	93.95	101.85	105.66	138.27	223.81	69.59
	Minimum	(3.54)	8.11	17.37	19.05	22.00	22.00	18.50	(53.82)	(42.98)
	Average	34.32	41.49	45.52	49.98	51.25	52.55	52.63	35.18	13.33
Cancellation Price	HK\$4.25 per Scheme Share	34.07 ⁽⁴⁾	40.92 ⁽⁴⁾	53.17 ⁽⁴⁾	64.73 ⁽⁴⁾	72.49 ⁽⁴⁾	72.62 ⁽⁴⁾	69.96 ⁽⁴⁾	(23.56)	(25.31)

Source: Bloomberg and the Stock Exchange website

Notes:

- (1) It represents the premium/(discount) of offer or cancellation price over or to the NAV per share quoted from the respective privatisation documents without taking into account any adjustments arising from, amongst other, revaluation of properties set out therein.
- (2) Up to and including the last trading day of the shares.
- (3) Subject to rounding differences.
- (4) The average closing price per Share has been rounded to two decimal places and the premium of the Cancellation Price over the average closing price per Share has been calculated based on the average closing price per Share before rounding and are consistent with the disclosure in the Scheme Document.
- (5) It represents the premium/(discount) of offer or cancellation price over or to the reassessed NAV per share quoted from the respective privatisation documents taking into account of adjustments arising from, amongst other, revaluation of properties and deferred tax set out therein (as the case maybe).

(a) Premiums over the prevailing share price

The premiums/(discount) of the above Privatisation Precedents ranged from (3.54)% to 66.67%, 8.11% to 97.37%, 17.37% to 100.00%, 19.05% to 93.95%, 22.00% to 101.85%, 22.00% to 105.66% and 18.50% to 138.27% over/to their respective average share prices on/over last trading day, 10-, 30-, 60-, 90-, 120- and 180-trading day (up to and including the last trading day) with average premiums of 34.32%, 41.49%, 45.52%, 49.98%, 51.25%, 52.55% and 52.63%, respectively.

The premiums offered by the Cancellation Price over the Last Trading Day, 10-, 30-, 60-, 90-, 120- and 180-trading day (up to and including the Last Trading Day) average Share price are 34.07%, 40.92%, 53.17%, 64.73%, 72.49%, 72.62% and 69.96%, respectively. The premiums represented by the Cancellation Price over the Last Trading Day, 10-, 30-, 60-, 90-, 120- and 180-trading day (up to and including the Last Trading Day) average Share price are within the range of the respective premiums represented by the Privatisation Precedents. In addition, the premiums represented by the Cancellation Price over the 30-, 60-, 90-, 120- and 180-trading day (up to and including the Last Trading Day) average Share price are higher than the respective average premiums.

(b) Discount to the NAV per Share and the Reassessed NAV per Share

The Cancellation Price of HK\$4.25 per Scheme Share represents a discount of 23.56% to the NAV per Share of HK\$5.56 or 25.31% to the Reassessed NAV per Share of HK\$5.69.

From the Privatisation Precedents, we have observed a wide range of the cancellation consideration as compared with the respective NAV ranging from a discount of 53.82% to a premium of 223.81%. Out of the 24 Privatisation Precedents, the cancellation consideration in 14 cases represent premiums ranging from 10.01% to 223.81% over the respective NAV per share and 10 cases represent a discount ranging from 4.00% to 53.82% to the respective NAV per share. 8 out of 24 Privatisation Precedents have reassessed NAV per share available in their documents, of which the cancellation consideration in 5 cases represent premiums ranging from 16.92% to 69.59% over the respective reassessed NAV per share and 3 cases represent a discount of 8.86% and 42.98% to the respective reassessed NAV per share.

Comments

The premiums offered by the Cancellation Price over the 30-, 60-, 90-, 120- and 180-trading day (up to and including the Last Trading Day) average Share price are higher than the respective average premiums of the Privatisation Precedents.

The Cancellation Price of HK\$4.25 per Scheme Share represents a discount of 23.56% to the NAV per Share as at 30 June 2019 of HK\$5.56 or 25.31% to the Reassessed NAV per Share of HK\$5.69. The Privatisation Precedents show a very wide range, from a discount of approximately 53.82% to a premium of approximately 223.81% in the case of NAV per share and from a discount of 42.98% to a premium of approximately 69.59% in the case of reassessed NAV per share. The wide range across the Privatisation Precedents, in our view, suggests that no concrete conclusion can be drawn from the comparison between their cancellation price and their respective NAV per share or reassessed NAV per share. Furthermore, none of the Privatisation Precedents engaged in the same business as those of the Group. Thus, the comparison of cancellation consideration to the NAV or reassessed NAV in the Privatisation Precedents may not be of immediate relevance to our analysis.

8. Option Offer

As at the Latest Practicable Date, there were 29,269,700 outstanding Share Options granted under the Share Option Scheme, each relating to one Share, all of which have an exercise price of HK\$2.85. The Share Option Scheme lapsed in 2017 upon the expiry of its term and no further Share Option may be granted thereunder. As at the Latest Practicable Date, neither the Offeror nor any Offeror Concert Party holds any Share Options.

The Offeror will make (or procure to be made on its behalf) the Option Offer to Optionholders in accordance with Rule 13 of the Takeovers Code. The Option Offer is conditional upon the Scheme becoming effective. Under the Option Offer, the Offeror will offer Optionholders the “see-through” price (being the Cancellation Price minus the exercise price of the relevant Share Options) in consideration for the acquisition of all rights under, and the immediate cancellation of, each Share Option.

Share Option exercise price (HK\$)	“See-through” price (HK\$)	Total outstanding no. of Share Options	Exercise period
2.85	1.40	29,269,700	4 December 2017 to 3 December 2020

As stated in the Form of Option Offer letter, (a) if the Scheme has been approved by the necessary number of Shareholders at the Court Meeting and the General Meeting, holder(s) of Share Options may thereafter (but before such time as notified by the Company (the “**Specified Date**”)) exercise the Share Options (to the extent not already exercised) to its full extent or to the extent specified in such notice; and (b) subject to the Scheme becoming effective, the Share Options shall lapse automatically and not be exercisable (to the extent not already exercised) on the Specified Date referred to in (a) above.

We note that it is common market practice and in accordance with Rule 13 and Practice Note 6 of the Takeovers Code to adopt a “see-through” price (representing the difference between the share offer price and the relevant given exercise price). As shown in the above table, the exercise price of all the Share Options is below the Cancellation Price and we therefore consider the “see-through” price offered to the Optionholders of HK\$1.4 per Share Option to be in line with market practice and in accordance with Rule 13 and Practice Note 6 of the Takeovers Code.

V. DISCUSSION OF THE PRINCIPAL FACTORS AND REASONS

In forming our opinion and recommendation below, we have taken into account the factors set out under the section headed “IV. Principal factors and reasons considered” above, none of which can be considered in isolation. We would like to draw the attention of the Scheme Shareholders in particular to the points summarised below:

(a) Premium over market price

The realisable value of the Shareholders’ investment in the Company depends on the Share price. One of the most important factors when assessing the fairness of the Cancellation Price has been the premium of the Cancellation Price over recent Share prices, which is substantial. The Cancellation Price is higher than the closing Share prices in all trading days during the 4-year Review Period. Based on the summaries as set out in the section headed “5. Analysis of market price of the Shares – (a) Historical price performance compared with the Cancellation Price of HK\$4.25 per Scheme Share” above, the Cancellation Price compares favourably to the closing Share prices, with a range of premium of approximately 34.07% to 72.62% over different periods before the Last Trading Day that we have reviewed.

The Proposal is to be implemented at the Cancellation Price of HK\$4.25 per Scheme Share in cash. The Company will not increase the Cancellation Price for the Proposal and does not reserve the right to increase the Cancellation Price. If the Proposal fails, the Company cannot in normal circumstances put forward another such proposal for at least twelve months;

(b) Volatility in earnings

the Group is a leading agribusiness and food processing company in the PRC with a focus on processing and sales of oilseeds, rice, wheat and brewing materials. To capture future growth opportunities in the industry, the Company is actively engaging in the expansion of downstream B2C branded business, and established the well-known brands such as Fortune (福临门) and Xiangxue (香雪). Oilseeds processing business is the largest part of its operations, accounting for over 70% of its total revenue and was also the largest profit contributor for the year ended 31 December 2018. The products of oilseeds processing business are vegetable oil and oilseed meals (which are mainly used in animal feeds). Despite the profit attributable to the Shareholders exhibited an upward trend in

2016–2018, the Group’s earnings were volatile when tracing a further few years back, often due to the fluctuations of international soybean prices, as discussed in section 4 above. In addition, the interim results of 2019 and the Profit Estimate have further underpinned the volatility of the Group’s earnings which will affect not only the Share price but also the dividend payable to the Shareholders.

The Group needs to import substantial amount of soybean overseas for its production and it is thus exposed to fluctuations in overseas soybean and foreign currency prices. Against this background, the business team leverages the Group’s raw material procurement system to keep track the changes in the market closely, appropriately adjust the sources of procurement and ensure a stable and sustainable supply of raw materials and also regularly engages in proprietary trading and hedging activities by entering into commodity futures contracts and foreign currency forward contracts. Although the Group’s earnings have been stable in 2016–2018, volatility has been seen in its earnings in 2014, 2015 and the first half of 2019 as illustrated in Table 3 and Table 5 above. On this basis, one of the keys to maintain or increase the Group’s profitability, in our view, is whether the business teams are able to optimise the cost structure by, amongst others, making effective procurement and sourcing decisions and mitigating the inventory price volatility and foreign currency risks. We, therefore, consider that the Proposal provides an exit strategy for Scheme Shareholders to divest their shareholdings in avoiding the potential risks brought about by market fluctuations;

(c) Industry outlook remains challenging

the major raw material for the Group’s oilseeds processing is soybean and almost all of its soybeans are imported from overseas. The international soybean price has seen significant volatility in recent years and the variances of the export soybean prices in the major export countries range 19%–25%. Therefore, an effective vertically integrated supply chain is important for the Group’s operations and profitability. A further factor is the outbreak of African swine fever in the second half of 2018 which has resulted in the substantial drop in hog and sow inventories. The decline in the hog and sow inventories has accelerated from 13%–15% in January 2019 to 38%–41% in October 2019. Such increasing decline heightens the uncertainty over control and eventual elimination of the epidemic. Despite, following the phase one of the Sino-US trade agreement has been signed in mid-January 2020, the export prices of soybean have seen some correction subsequently in the major export countries according to the International Grains Council, it remains uncertain as to how it will continue to impact the prices of grains and oilseeds on a longer term which, together with the outbreak of 2019-nCoV, may also impact the Group’s operations;

(d) The Scheme presents a good opportunity to realise the Shares given the low trading volume

since the beginning of 2018 up to the release of the Announcement, we are of the view that the liquidity of the Shares was generally low. There were surges in trading

volume recorded from April to June 2018 following the release of the Company's annual results for the year ended 31 December 2017 and the liquidity of the Shares increased substantially in November and December 2019 due to the release of the Announcement. Otherwise, we are however of the view that the Shares cannot be regarded as having been actively traded. Accordingly, the Proposal provides an exit opportunity for the Scheme Shareholders (especially those with relatively sizeable shareholdings) who would like to realise their investments in the Shares at a fixed cash price without disturbing the market price;

(e) The Cancellation Price represents a discount to NAV per Share but is close to the historical low discount during the Review Period

the Cancellation Price represents a discount of approximately 23.56% to the NAV per Share of HK\$5.56. However, the Shares have been trading at discount to NAV per Share throughout the Review Period, ranging from 17.18% to 63.34% and had discounts deeper than the discount of 23.56% as represented by the Cancellation Price in 903 trading days out of a total of 958 during the period from 1 January 2016 to the Last Trading Day. The discounts of the closing price to the NAV per Share narrowed after the Company issued the Announcement dated 27 November 2019 in our view may not be sustainable at the current level if the Proposal and the Scheme lapse;

(f) Cross check against Comparable Companies

the Cancellation Price of HK\$4.25 per Scheme Share represents a PER of 21.42 times (based on the net profit attributable to the Shareholders for the trailing 12 months) which is significantly higher than those of the three Comparable Companies, ranging from 5.00 times to 10.30 times with an average of 6.92 times as at the date of the Announcement. As compared with the Group, the three Comparable Companies are substantially smaller in scale in terms of both NAV and market capitalization. Their business models and major raw materials for production are also different from the Group to some extent. The business team leverages the Group's raw material procurement system to keep track the changes in the market closely, appropriately adjust the sources of procurement and ensure a stable and sustainable supply of raw materials and also regularly engages in proprietary trading and hedging activities by entering into commodity futures contracts and foreign currency forward contracts while Changshouhua and China Starch have not engaged in the use of derivative financial instruments and Lam Soon has only engaged in foreign exchange forward contracts suggesting that they may not be significantly exposed to inventory price volatility and foreign currency risks (where appropriate). Their profitability are also far less volatile as compared with the Company as evidenced by their profit record over the past five years. On the above bases, their multiples can only provide a general reference. Wilmar, the leading PRC oilseed crusher and agriproduct producer and a close competitor of the Group, had a PER of 17.97 times as at the date of the Announcement. However, Wilmar is listed in Singapore and may be valued differently as a result. Thus, we are of the view that Wilmar's PER provides a secondary check only when evaluating the Cancellation

Price. On this basis, we are of the view that the Comparable Companies and Wilmar are not useful to draw a meaningful comparison to the Cancellation Price;

(g) Privatisation Precedents

the premiums offered by the Cancellation Price over the Last Trading Day and the 10-, 30-, 60-, 90-, 120- and 180-trading day (up to and including the Last Trading Day) average Share price are 34.07%, 40.92%, 53.17%, 64.73%, 72.49%, 72.62% and 69.96%, respectively. The premiums represented by the Cancellation Price over the Last Trading Day, 10-, 30-, 60-, 90-, 120- and 180-trading day (up to and including the Last Trading Day) average Share price are within the range of the respective premiums represented by the Privatisation Precedents and in respect of the premiums represented by the Cancellation Price over the 30-, 60-, 90-, 120- and 180-trading day (up to and including the Last Trading Day) average Share price are higher than the respective average premiums. The wide range of premiums over and discounts to the NAV per share and the reassessed NAV per share across the Privatisation Precedents as mentioned above, in our view, suggests that no concrete conclusion can be drawn from the comparison between their cancellation price and their respective NAV per share or reassessed NAV per share. In addition, none of the Privatisation Precedents engaged in the same business as those of the Group. Hence, the comparison of cancellation consideration to the NAV or reassessed NAV in the Privatisation Precedents, in our view, may not be of immediate relevance to our analysis; and

(h) An attractive proposal from another source is unlikely

an alternative general offer or other proposal to acquire the Shares is unlikely as the Offeror holds over 50% of the issued shares of the Company which is held as a core business and long-term investment by the Offeror.

VI. OPINION AND RECOMMENDATION

Based on the above analysis, we consider the terms of the Proposal, the Scheme and the Option Offer to be fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal and the Scheme, and the Optionholders to accept the Option Offer.

The closing Share price at the Latest Practicable Date was HK\$4.23 per Share, below the Cancellation Price of HK\$4.25 per Scheme Share. However, there is still a possibility, not in our view likely, that the Share price may exceed the Cancellation Price in the period up to 9 March 2020, being the expected last day for trading in the Shares on the Stock Exchange. Accordingly, Scheme Shareholders and the Optionholders are reminded to monitor the trading price and liquidity of the Shares during this period and, having regard to their own circumstances, for Scheme Shareholders, consider selling their Shares in the open market, and,

for the Optionholders, exercising their vested Share Options and selling their Shares to be issued upon such exercise in the open market instead of accepting the Option Offer, respectively, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds expected to be received under the Scheme and from accepting the Option Offer, respectively. The Optionholders are reminded that there will be a time lag between the exercise of the Share Options and the receipt of the Shares to be issued upon such exercise due to administrative procedures.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Jenny Leung
Director

Ms. Jenny Leung is a licensed person and responsible officer of Somerley registered with the SFC to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

This Explanatory Statement constitutes the statement required under section 671 of the Companies Ordinance.

1. INTRODUCTION

On 27 November 2019, the Offeror and the Company jointly announced that on the same date, the Offeror had requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme. Assuming no new Shares are issued after the Scheme Record Date, upon completion of the Scheme, the Company will become wholly-owned by the Offeror, Wide Smart and Jumbo Profit, and the listing of the Shares will be withdrawn from the Stock Exchange.

The Offeror is making the Option Offer to the Optionholders to cancel all the outstanding Share Options. The Option Offer will be conditional on the Scheme becoming effective.

The purpose of this Explanatory Statement is to explain the terms and effects of the Proposal (including the Option Offer) and to provide Scheme Shareholders and Optionholders with additional information in relation to the Proposal.

2. TERMS OF THE PROPOSAL

The Proposal will be implemented by way of a scheme of arrangement under section 673 of the Companies Ordinance.

The implementation of the Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the section headed “4. Conditions of the Proposal and the Scheme” below.

The Scheme

The Scheme will become effective and binding on the Company and all Shareholders subject to the fulfilment or waiver, as applicable, of the Conditions as described in the section headed “4. Conditions of the Proposal and the Scheme” below.

The Scheme involves a reduction of the share capital of the Company by the cancellation of the Scheme Shares. Upon such reduction, the share capital of the Company will be increased to its former amount by the allotment and issue of such number of new Shares as is equal to the number of Scheme Shares cancelled. The credit arising in the Company’s books of account as a result of the reduction of share capital will be applied in paying up in full the new Shares so allotted and issued, credited as fully paid, to the Offeror. Assuming that no new Shares are issued after the Scheme Record Date, upon completion of the Scheme, the Company will become wholly-owned by the Offeror, Wide Smart and Jumbo Profit, and the listing of the Shares will be withdrawn from the Stock Exchange.

The Scheme provides that, in consideration of the cancellation of the Scheme Shares, the Scheme Shareholders will be entitled to receive from the Offeror the Cancellation Price of HK\$4.25 in cash for each Scheme Share cancelled.

The Offeror has advised that the Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

The Cancellation Price of HK\$4.25 per Scheme Share represents:

- a premium of approximately 34.07% over the closing price of HK\$3.17 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 40.92% over the average closing price of approximately HK\$3.02 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 53.17% over the average closing price of approximately HK\$2.77 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 64.73% over the average closing price of approximately HK\$2.58 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 72.49% over the average closing price of approximately HK\$2.46 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 72.62% over the average closing price of approximately HK\$2.46 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 0.47% over the closing price of HK\$4.23 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- a discount of approximately 22.83% to the audited consolidated net asset value of the Company of approximately HK\$5.51 per Share as at 31 December 2018.

Note: The average closing price per Share and net asset value per Share disclosed have been rounded to two decimal places and the percentage of premium/discount of the Cancellation Price over the average closing price per Share/to the net asset value per Share have been calculated based on the average closing price per Share and net asset value per Share before rounding.

The Cancellation Price has been determined on a commercial basis after taking into account, among others, the prices of the Shares traded on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years.

Scheme Shareholders whose names appear in the register of members of the Company as at a record date which is before the Effective Date for determining entitlement to a dividend (if any) declared by the Company will be entitled to receive such dividend (if any).

As disclosed in the announcement of the Company dated 4 February 2020, the Board has declared the Further Interim Dividend of 4 HK cents per Share in lieu of a final dividend for the year ended 31 December 2019. The Further Interim Dividend will be payable to the Shareholders whose names appear on the register of members of the Company on the Dividend Record Date. The Further Interim Dividend is expected to be paid within one month of the Dividend Record Date to the Shareholders whose names appear on the register of members on the Dividend Record Date.

The Option Offer

The Offeror will make (or procure to be made on its behalf) the Option Offer to Optionholders in accordance with Rule 13 of the Takeovers Code. The Option Offer is conditional upon the Scheme becoming effective. Further information on the Option Offer is set out in the form of Option Offer Letter which is set out in Appendix VII to this Scheme Document.

Under the Option Offer, the Offeror will offer Optionholders the Share Option Offer Price, which represents the “see-through” price of each Share Option, being the Cancellation Price minus the exercise price of the Share Options, in consideration for the acquisition of all rights under, and the immediate cancellation of, each Share Option.

As at the Latest Practicable Date, there were 29,269,700 outstanding Share Options granted under the Share Option Scheme, each relating to one Share, all of which have an exercise price of HK\$2.85. The Share Option Scheme lapsed in 2017 upon the expiry of its term and, as at the Latest Practicable Date, no further Share Option may be granted thereunder.

Below is a table setting out the exercise price, the Share Option Offer Price and the exercise period of the outstanding Share Options:

Share Option exercise price (HK\$)	“See-through” price (HK\$)	Total outstanding Share Options	Exercise period (DD/MM/YYYY)
2.85	1.40	29,269,700	04-12-2017 to 03-12-2020

The Option Offer Letter to the Optionholders setting out the terms and conditions of the Option Offer is being despatched separately to the Optionholders and is substantially in the form set out in Appendix VII – Form of Option Offer Letter to this Scheme Document.

Pursuant to the terms of the Share Option Scheme, subject to the Scheme becoming effective, all Share Options shall lapse on Tuesday, 10 March 2020 and will no longer be exercisable as from such date.

3. TOTAL CONSIDERATION AND FINANCIAL RESOURCES CONFIRMATION

On the assumption that (a) no outstanding Share Options are exercised and (b) no further Shares are issued on or before the Scheme Record Date, the maximum amount of cash required for the Proposal (after taking into account the Option Offer to be made) would be approximately HK\$8,816,790,387.

On the assumption that (a) all outstanding Share Options as at the Latest Practicable Date are exercised (and no further Share Options are granted on or before the Scheme Record Date) and all the holders of such Share Options become Scheme Shareholders on or before the Scheme Record Date and (b) no further Shares are issued on or before the Scheme Record Date, the maximum amount of cash required for the Proposal would be approximately HK\$8,900,209,032.

Consequently, the maximum amount of cash required for the Proposal on the basis described above would be approximately HK\$8,900,209,032.

As at the Latest Practicable Date, the Offeror intended to finance the entire cash amount required for the Proposal from internal cash resources and/or other financing for the Certain Funds Period.

CICC, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal in accordance with its terms.

4. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following:

- (1) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of

poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all CO Disinterested Shares, provided that:

- (a) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the TC Disinterested Shares that are cast either in person or by proxy at the Court Meeting; and
 - (b) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the TC Disinterested Shares;
- (2) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled;
- (3) the sanction of the Scheme (with or without modification) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;
- (4) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in so far as they relate to the effectiveness of the reduction of the issued share capital of the Company and the Scheme, respectively;
- (5) all authorisations, approvals, permissions, waivers and consents and all registrations and filings (including without limitation any which are required under or in connection with any applicable laws or regulations or any licences, permits or contractual obligations of the Company) in connection with the Proposal or its implementation and the withdrawal of listing of the Shares from the Stock Exchange in accordance with its terms which are required to be obtained (or, as the case may be, completed) prior to the completion of the Proposal having been obtained (or as the case may be, completed) and remaining in full force and effect without modification;
- (6) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or

obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings or suits as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;

- (7) the implementation of the Proposal not resulting in, and no event or circumstance having occurred or arisen which would or might be expected to result in any indebtedness (actual or contingent) of any member of the Group being or becoming repayable (or capable of being declared repayable) immediately or prior to its stated maturity or repayment date, which is material in the context of the Group as a whole or in the context of the Proposal or its implementation in accordance with its terms;
- (8) since the Announcement Date, there having been no adverse change in the business, assets, or trading position, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms) whether or not as a result of the implementation of the Proposal; and
- (9) except with the prior written consent of the Offeror, no dividend or other distribution (whether in cash or in kind) having been declared, made or paid by the Company to the Shareholders between the Announcement Date and the Effective Date.

With reference to Condition (5), so far as the Offeror is aware, the Offeror Parent will be required to submit to the National Development and Reform Commission of the PRC of a status report in respect of the Proposal prior to the completion of the Proposal. The Offeror reserves the right to waive Conditions (5) to (9) either in whole or in part, either generally or in respect of any particular matter. Conditions (1), (2), (3) and (4) cannot be waived in any event. The Company has no right to waive any of the Conditions. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror may determine or, to the extent applicable, as the High Court may direct and in all cases, as permitted by the Executive), failing which the Proposal will not proceed and the Scheme will lapse.

With reference to Condition (9), having taken into account the fact that the amount of the Further Interim Dividend is in line with normal dividend payments previously made by the Company, prior written consent has been provided by the Offeror in respect of the Further Interim Dividend in lieu of a final dividend for the year ended 31 December 2019.

As at the Latest Practicable Date, the Conditions are subject to fulfilment (unless otherwise waived, where applicable) and none of the Conditions have been waived.

Assuming that the above Conditions are fulfilled (or, as applicable, waived in whole or in part), it is expected that the Scheme will become effective on or about Thursday, 19 March 2020. Further announcements will be made including in particular in relation to (i) the results of the Court Meeting and the General Meeting and, if all the resolutions are passed at those meetings, (ii) the result of the hearing of the petition for the sanction of the Scheme by the High Court, and, if the Scheme is sanctioned, (iii) the Scheme Record Date, (iv) the Effective Date and (v) the date of withdrawal of the listing of the Shares on the Stock Exchange as further set out in “Part III – Expected Timetable” of this Scheme Document.

If approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting. If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Offeror and the Company.

Shareholders and potential investors should be aware that the implementation of the Scheme and the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor and/or other professional advisers.

5. SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE AND THE COURT MEETING

Under section 670 of the Companies Ordinance, where an arrangement is proposed to be entered into by a company with the members, or any class of the members, of the company, the High Court may, on an application made by the company, any of the members or any member of that class, order a meeting of those members or of that class of members, as the case may be, to be summoned in any manner that the High Court directs.

Under section 673 of the Companies Ordinance, if the members or the class of members with whom the arrangement is proposed to be entered into agree or agrees to the arrangement, the High Court may, on application by the company, any of the members or any member of that class, as the case may be, sanction the arrangement. An arrangement sanctioned by the High Court as aforesaid is binding on the members or the class of members with whom the arrangement is proposed to be entered into.

The Scheme is a takeover offer under section 674 of the Companies Ordinance. Under section 674 of the Companies Ordinance, where the arrangement involves a takeover offer, the members or the class of members agree or agrees to the arrangement if, at a meeting summoned as directed by the High Court as aforesaid, members representing at least 75% of the voting rights of the members or the class of members, as the case may be, present and voting, in person or by proxy, agree to the arrangement and the votes cast against the arrangement at the meeting

do not exceed 10% of the total voting rights attached to all CO Disinterested Shares in the company or of the class in the company, as the case may be.

6. ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE

In addition to satisfying any requirements under the Companies Ordinance as summarised above, under Rule 2.10 of the Takeovers Code, except with the consent of the Executive, the Scheme may only be implemented if:

- (a) the Scheme is approved by at least 75% of the votes attaching to the TC Disinterested Shares held by the Shareholders of the TC Disinterested Shares that are cast either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the TC Disinterested Shares held by all the Shareholders of the TC Disinterested Shares.

For the purpose of counting the votes for (a) and (b) above, Independent Shareholders comprise all Shareholders as at the Meeting Record Date other than the Offeror, the Offeror Concert Parties and any member of the CICC group acting in the capacity of an exempt principal trader for the purpose of the Takeovers Code. For the avoidance of doubt, Independent Shareholders include any member of the CICC group acting in the capacity of an exempt fund manager for the purpose of the Takeovers Code.

As at the Latest Practicable Date, the Independent Shareholders held in aggregate 2,064,569,967 Scheme Shares. On that basis, and assuming that no new Shares are issued (pursuant to the exercise of Share Options or otherwise) on or before the Meeting Record Date, the Scheme would not be implemented if the number of votes cast against the resolution referred to in (b) above is more than the votes attaching to 206,456,996 Shares, representing approximately 10% of the votes attached to all the TC Disinterested Shares.

7. BINDING EFFECT OF THE SCHEME

Upon the Scheme becoming effective, it will be binding on the Company and all Scheme Shareholders, regardless of how they voted (or whether they voted) at the Court Meeting and General Meeting.

8. SHAREHOLDING STRUCTURE OF THE COMPANY AND SCHEME SHARES

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Proposal, assuming that no Share Options are exercised on or before the Scheme Record Date and that there is no other change in shareholding of the Company before completion of the Proposal:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Offeror (Note 1)	468,986,827	8.91	2,533,883,958	48.17
Offeror Concert Parties				
<i>Shares held not subject to the Scheme</i>				
Wide Smart (Notes 1 and 2)	2,681,315,430	50.97	2,681,315,430	50.97
Jumbo Profit (Notes 1 and 3)	45,500,000	0.86	45,500,000	0.86
Sub-total	2,726,815,430	51.83	2,726,815,430	51.83
<i>Shares held subject to the Scheme</i>				
Mr. YU Xubo (Note 4)	235,364	0.00	–	–
Mr. SONG Liang (Note 5)	10,800	0.00	–	–
Sub-total	246,164	0.00	–	–
Aggregate number of Shares held by the Offeror Concert Parties	2,727,061,594	51.84	2,726,815,430	51.83
Aggregate number of Shares held by the Offeror and Offeror Concert Parties	3,196,048,421	60.75	5,260,699,388	100.00

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Shares held by members of the CICC group acting in the capacity of exempt principal traders (<i>Note 6</i>)	81,000	0.00	–	–
Independent Shareholders	2,064,569,967	39.25	–	–
Total	5,260,699,388	100.00	5,260,699,388	100.00
Total number of Scheme Shares	2,064,897,131	39.25	–	–

Notes:

1. Shares in which the Offeror, Wide Smart and Jumbo Profit are interested will not form part of the Scheme Shares and will not be cancelled.
2. Wide Smart is a wholly-owned subsidiary of the Offeror.
3. The shares of Jumbo Profit are held under a declaration of trust in favour of Offeror Parent.
4. These Shares are held by a close relative of Mr. Yu Xubo, a director of the Offeror.
5. These Shares are held by Mr. Song Liang, a director of the Offeror.
6. Exempt principal traders which are connected for the sole reason that they are under the same control as CICC are not be presumed to be acting in concert with the Offeror. However, Shares held by members of the CICC group acting in the capacity of exempt principal traders (other than those held as a result of agency trades on behalf of non-discretionary clients) must not be voted at the Court Meeting.

On the assumption that there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company upon the exercise of all outstanding Share Options and immediately upon completion of the Proposal:

Shareholders	Upon the exercise of all outstanding Share Options		Immediately upon completion of the Proposal	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Offeror (Note 1)	468,986,827	8.87	2,563,153,658	48.45
Offeror Concert Parties				
<i>Shares held not subject to the Scheme</i>				
Wide Smart (Notes 1 and 2)	2,681,315,430	50.69	2,681,315,430	50.69
Jumbo Profit (Notes 1 and 3)	45,500,000	0.86	45,500,000	0.86
Sub-total	2,726,815,430	51.55	2,726,815,430	51.55
<i>Shares held subject to the Scheme</i>				
Mr. YU Xubo (Note 4)	235,364	0.00	–	–
Mr. SONG Liang (Note 5)	10,800	0.00	–	–
Sub-total	246,164	0.00	–	–
Aggregate number of Shares held by the Offeror Concert Parties	2,727,061,594	51.55	2,726,815,430	51.55
Aggregate number of Shares held by the Offeror and Offeror Concert Parties	3,196,048,421	60.42	5,289,969,088	100.00
Shares held by members of the CICC group acting in the capacity of exempt principal traders (Note 6)	81,000	0.00	–	–
Independent Shareholders				
Optionholders who have become Scheme Shareholders	29,269,700	0.55	–	–
Independent Shareholders other than Optionholders who have become Scheme Shareholders	2,064,569,967	39.03	–	–

Shareholders	Upon the exercise of all outstanding Share Options		Immediately upon completion of the Proposal	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Aggregate number of Shares held by Independent Shareholders	2,093,839,667	39.58	-	-
Total	5,289,969,088	100.00	5,289,969,088	100.00

Total number of Scheme Shares	2,094,166,831	39.59	-	-
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Notes:

1. Shares in which the Offeror, Wide Smart and Jumbo Profit are interested will not form part of the Scheme Shares and will not be cancelled.
2. Wide Smart is a wholly-owned subsidiary of the Offeror.
3. The shares of Jumbo Profit are held under a declaration of trust in favour of Offeror Parent.
4. These Shares are held by a close relative of Mr. Yu Xubo, a director of the Offeror.
5. These Shares are held by Mr. Song Liang, a director of the Offeror.
6. Exempt principal traders which are connected for the sole reason that they are under the same control as CICC are not be presumed to be acting in concert with the Offeror. However, Shares held by members of the CICC group acting in the capacity of exempt principal traders (other than those held as a result of agency trades on behalf of non-discretionary clients) must not be voted at the Court Meeting.

Assuming no new Shares are issued after the Scheme Record Date, upon completion of the Scheme, the Company will become wholly-owned by the Offeror, Wide Smart and Jumbo Profit, and the listing of the Shares will be withdrawn from the Stock Exchange.

As at the Latest Practicable Date, the Company had 5,260,699,388 Shares in issue. As at the Latest Practicable Date, the Scheme Shares, comprising 2,064,897,131 Shares, represent approximately 39.25% of the issued Shares.

As at the Latest Practicable Date, no person had irrevocably committed themselves to accept or reject, or vote in favour or against, the Proposal.

The Shares held by HKSCC Nominees Limited as nominee on behalf of southbound investors under the Stock Connect through China Securities Depository and Clearing Corporation Limited will form part of the Scheme Shares, and the Cancellation Price will be paid to HKSCC Nominees Limited accordingly.

9. REASONS FOR AND BENEFITS OF THE PROPOSAL

For the Offeror and the Company

- **The current function of the Company as a listed platform for financing is restricted:** The business of the Company involves global procurement of agricultural commodities. The Offeror considers that the uncertainty over the Company's development brought about by the slowdown of global economic growth, trade tensions and heightening of geopolitical risks have resulted in the underperformance of the Company's share price. The ability of the Company to raise funds from the capital markets has come under a certain degree of restriction, making it more difficult to make use of equity financing to provide sources of available funds to finance its business development, and to support the Offeror's and the Company's development strategies;
- **The Proposal will be favourable to streamlining the Company's governance, corporate and shareholding structures and enhancing management efficiency:** The Proposal, if successfully implemented, will be favourable to streamlining the Company's governance, corporate and shareholding structures, optimising organisation layout and avoiding additional governance costs and management fees resulting from maintaining the Company's listing status;
- **The Proposal will be favourable to the long-term development of business:** The Company is a core business of the Offeror. The Proposal will enhance the Offeror's comprehensive consolidation and integration of the Company's operations, giving the Offeror more flexibility and higher efficiency in supporting the long-term business development of the Company, which in turn will enable the Offeror to realise its own long-term development strategy.

For the Scheme Shareholders

- **Avoiding the potential risks brought about by the fluctuations of the Company's performance:** The Company operates in a relatively cyclical industry and its results performance is accordingly subject to a certain degree of fluctuation. Scheme Shareholders divesting their shareholdings through the Proposal will help avoid the potential risks brought about by market fluctuations to investors;

- **The degree of premium in the Cancellation Price is, in the view of the Offeror, attractive:** The Offeror considers that the Proposal will provide Scheme Shareholders with an opportunity to realise their investment in the Company at an attractive premium over the prevailing price of the Shares. The Cancellation Price of HK\$4.25 per share represents (i) a premium of approximately 34.07% over the closing price of HK\$3.17 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 53.17% over the average closing price of approximately HK\$2.77 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day; and (iii) a premium of approximately 72.49% over the average closing price of approximately HK\$2.46 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- **Providing a good opportunity for the Shareholders to sell their Shares against the backdrop of relatively low liquidity:** The average daily trading volume of the Shares for the 120 trading days up to and including the Last Trading Day was approximately 4.97 million Shares per day, representing only approximately 0.09% of the issued Shares. The relatively low trading liquidity of the Shares of the Company makes it difficult for the Shareholders to sell their shareholdings in large volume on the market without causing negative impact on the share price of the Company. The Proposal will provide a good opportunity for the Scheme Shareholders to sell their Shares, such that they will be able to realise their investment in the Company without giving rise to any discount in liquidity.

10. INFORMATION ON THE GROUP

The Company is a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange with the stock code 606. The Group is a leading producer and supplier of processed agricultural products in the PRC. Its principal businesses are oilseeds processing, rice processing and trading, wheat processing and brewing materials.

11. INFORMATION ON THE OFFEROR AND OFFEROR PARENT

The Offeror is an investment holding company incorporated in Hong Kong with limited liability, a controlling shareholder of the Company and a direct wholly-owned subsidiary of Offeror Parent. Offeror Parent is a state-owned company in the PRC with business interests in agricultural commodities trading, agricultural products processing, food and beverages, hotel management, real estate, logistics and financial services.

12. INTENTIONS OF THE OFFEROR

As disclosed in the Announcement:

- the Proposal, if successfully implemented, will be favourable to streamlining the Company's governance, corporate and shareholding structures, optimising organisation layout and avoiding additional governance costs and management fees resulting from maintaining the Company's listing status; and
- the Proposal will enhance the Offeror's comprehensive consolidation and integration of the Company's operations, giving the Offeror more flexibility and higher efficiency in supporting the long-term business development of the Company, which in turn will enable the Offeror to realise its own long-term development strategy.

Save for the above, the Offeror intends that the Group will continue to carry on its current business and not introduce any major changes to the business of the Group (including any redeployment of fixed assets of the Group).

The Offeror does not intend to make any significant changes to the continued employment of the employees of the Group, except for staff movements which are part of the normal conduct of business.

13. WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

In that case, the Company does not intend to maintain its listing on the Stock Exchange and will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from the Effective Date.

The Scheme Shareholders will be notified by way of announcement of, among other things, the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of Shares on the Stock Exchange will become effective. An expected timetable of the Proposal is included in Part III of this Scheme Document.

14. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror may determine or, to the extent applicable, as the High Court may

direct and in all cases, as permitted by the Executive). The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with it) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

15. COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Proposal is either not recommended by the Independent Board Committee or not recommended as fair and reasonable by the Independent Financial Adviser, all expenses incurred by the Company in connection with the Proposal shall be borne by the Offeror if the Scheme is not approved. Given that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

However, the Offeror and the Company have agreed that: (i) all expenses incurred by the Company in connection with the Proposal shall be borne by the Offeror if the Scheme is not approved by the Scheme Shareholders at the Court Meeting; and (ii) in any other case, all costs, charges and expenses incurred by the Company (including costs, charges and expenses of the advisers and counsels appointed by the Company, such as the Independent Financial Adviser), will be borne by the Company, whereas all costs, charges and expenses incurred by the Offeror (including costs, charges and expenses of the advisers and counsels appointed by the Offeror) will be borne by the Offeror, and other costs, charges and expenses of the Scheme and the Proposal will, unless otherwise agreed between the Offeror and the Company, be shared between the Offeror and the Company equally.

16. REGISTRATION AND PAYMENT

Assuming that the Scheme Record Date falls on Tuesday, 17 March 2020, it is proposed that the register of members of the Company will be closed from Friday, 13 March 2020 (or such other date as Shareholders may be notified by announcement) in order to determine entitlements under the Scheme. In order to qualify for entitlements under the Scheme, holders of Scheme Shares should ensure that the transfers of Shares to them are lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration in their names or in the names of their nominees by no later than 4:30 p.m. on Thursday, 12 March 2020.

Payment of Cancellation Price to Scheme Shareholders

Upon the Scheme becoming effective, payment of the Cancellation Price for the Scheme Shares will be made to the Scheme Shareholders whose names appear on the register of members of the Company as at the Scheme Record Date as soon as possible but in any event within 7 Business Days following the Scheme having become effective. Assuming that the Scheme becomes effective on Thursday, 19 March 2020, the cheques for the payment of the Cancellation Price are expected to be despatched on or before Monday, 30 March 2020.

Cheques for the payment of the Cancellation Price will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first in such registers in respect of the joint holding. All such cheques will be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, CICC, the Independent Financial Adviser, the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch.

On or after the day being six calendar months after the posting of such cheques, the Offeror (or its nominee) shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee).

The Offeror (or its nominee) shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto, provided that such cheques referred to in the paragraph above of which they are payees have not been cashed. Any payments made by the Offeror (or its nominee) shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme. The Offeror (or its nominee) shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror (or its nominee) to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six years from the Effective Date, the Offeror (and, if applicable, its nominee) shall be released from any further obligation to make any payments under the Scheme and the Offeror (and, if applicable, its nominee) shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account in its name, including accrued interest subject to any deduction required by law and expenses incurred.

Assuming that the Scheme becomes effective, the register of members of the Company will be updated accordingly to reflect the cancellation of all the Scheme Shares and all

existing certificates representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on or about Thursday, 19 March 2020.

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

Payment in respect of the Share Option Offer Price to Optionholders

On the basis that the Scheme becomes effective, cheques for payment of the Share Option Offer Price payable under the Option Offer are expected to be despatched as soon as possible but in any event within 7 Business Days following the Scheme having become effective and accordingly, the cheques are expected to be despatched on or before Monday, 30 March 2020. At the Optionholder's election, cheques will either be (i) drawn in the Optionholder's name and sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or (ii) drawn in the Company's name as the Optionholder's agent and delivered to the Company at its registered office. Optionholders should refer to the Option Offer Letter and the Form of Acceptance for further details of the election. All such cheques will be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, CICC, the Independent Financial Adviser, the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in despatch.

On or after the day being six calendar months after the posting of such cheques, the Offeror (or its nominee) shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee).

The Offeror (or its nominee) shall hold such monies for those entitled under the terms of the Option Offer until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums, together with interest thereon, to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto, provided that such cheques referred to in the paragraph above of which they are payees have not been cashed.

On the expiry of six years from the Effective Date, the Offeror (and, if applicable, its nominee) shall be released from any further obligation to make any payments under the Option Offer.

Settlement of the consideration to which the Optionholders are entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Optionholders.

17. OVERSEAS SHAREHOLDERS AND OPTIONHOLDERS

General

The making of the Proposal (including the Option Offer) to the Scheme Shareholders and Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and Optionholders are located.

Such Scheme Shareholders and Optionholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders, wishing to take an action in relation to the Proposal (including the Option Offer), respectively, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes in such jurisdiction.

Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers (including CICC), that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

Notice to US holders of Scheme Shares and Share Options

The Proposal is being made to cancel the securities of a company incorporated in Hong Kong by means of a scheme of arrangement provided for under the Companies Ordinance and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in the relevant documentation, including this Scheme Document, has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules of the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement, which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of its Scheme Shares pursuant to the Proposal or by a US Optionholder as consideration for the cancellation of its Share Options pursuant to the Proposal may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares or Share Options is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

US holders of Scheme Shares and Share Options may encounter difficulty enforcing their rights and any claims arising out of the US federal securities laws, as the Offeror and the Company are located in a country outside the United States and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares or Share Options may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, US holders of Scheme Shares or Share Options may encounter difficulty compelling a non-US company and its affiliates to subject themselves to a US court's judgement.

18. TAXATION

Hong Kong stamp duty and tax consequences

As the Scheme does not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective.

Similarly, as the acceptance of the Option Offer and the payment of the cash consideration for the cancellation of the outstanding Share Options does not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance upon the acceptance of the Option Offer or the payment of the cash consideration under the Option Offer.

The Scheme Shareholders and Optionholders, whether in Hong Kong or in other jurisdictions, are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Scheme or the Option Offer and, in particular, whether the receipt of the Cancellation Price or of cash consideration under the Option Offer would make such Scheme Shareholder or Optionholder liable to taxation in Hong Kong or in other jurisdictions.

PRC taxation

As each of the Offeror and the Company has been recognised by the PRC State Taxation Administration as a PRC tax resident enterprise, according to the relevant taxation policy of the PRC enterprise income tax, non-resident enterprises (as defined in the applicable PRC tax law and related regulations) may be subject to PRC enterprise income

tax in respect of the Cancellation Price under the Scheme. In this regard, if the Offeror is authorised by such “non-resident enterprises” in providing assistance to fulfill the enterprises’ respective tax obligations, the Offeror is willing to collect the relevant information for the purpose of tax payment on behalf of such non-resident enterprises for the purpose of reporting and paying the relevant amount of PRC enterprise income tax to the relevant PRC tax authority.

If the income of a non-resident enterprise is derived from the transfer of assets within the PRC, unless otherwise provided in the tax treaties between the PRC and such other countries (or regions) or the relevant PRC tax regulations, the gain of the transferor arising from the transfer (being the difference between the Cancellation Price and purchase price) will, in general, be subject to PRC enterprise income tax at the rate of 10%.

Please note that this section is only applicable to such Scheme Shareholders who are defined as “non-resident enterprises” under PRC tax laws. Scheme Shareholders should consult their own tax advisers for a full understanding of the tax consequences of the Proposal to them, including any PRC tax consequences, and Scheme Shareholders who are natural persons and PRC resident enterprises should also consider their tax consequences and liabilities under PRC tax.

PRC Enterprise Income Tax Declaration Form

Taking into account the relevant provisions of the abovementioned PRC tax laws, Scheme Shareholders are required to note the following arrangements and make appropriate declarations (if applicable) to the Offeror after consulting their tax advisers.

Unless the relevant Scheme Shareholders have determined that they are not subject to PRC tax filing obligations or tax payment obligations in respect of their Scheme Shares relating to the Proposal under applicable tax treaties, Scheme Shareholders who are “non-resident enterprises” as defined under applicable PRC tax law should complete the PRC Enterprise Income Tax Declaration Form in accordance with the instructions thereon and return the completed form to the Offeror (please refer to the section headed “Collecting and Returning the PRC Enterprise Income Tax Declaration Form” below for details).

- If the Scheme Shareholders understand the above tax consequences and choose to make the declaration yourself, please complete, sign and return both the original and a scanned copy of Form A of the PRC Enterprise Income Tax Declaration Form to the Offeror, with the original to be posted to COFCO (Hong Kong) Limited, 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, for the attention of Miss Sun, and the scanned copy to be submitted to taf@cofco.com;
- If the Scheme Shareholders choose to have the Offeror making the declaration on your behalf, please complete, sign and return both the original and a scanned copy of (i) Form B of the PRC Enterprise Income Tax Declaration Form, (ii) the

Power of Attorney and (iii) the PRC Withholding Income Tax Filing Return, together with the proof of the Scheme Shareholders' shareholding in the Company and a cheque addressed to COFCO (Hong Kong) Limited in the amount of 10% of the gain of the Scheme Shareholder, with such gain calculated by deducting the acquisition price from the Cancellation Price paid or payable to the Scheme Shareholder in respect of Scheme Shares ("**Tax Amount**"), to the Offeror, with the original to be posted to COFCO (Hong Kong) Limited, 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, for the attention of Miss Sun, and the scanned copy to be submitted to taf@cofco.com.

For Scheme Shareholders who are "non-resident enterprises" and have determined that they are not subject to PRC tax filing obligations or tax payment obligations in respect of their Scheme Shares relating to the Proposal under applicable tax treaties, they are not required to complete the PRC Enterprise Income Tax Declaration Form. Instead, they should determine the tax treaties applicable to them and submit the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits to the Offeror, which will be forwarded by the Offeror to the relevant tax authority (please read the section headed "Returning the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits" below). The Offeror has prepared the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits in accordance with the relevant provisions under PRC tax law and regulations, and the form will be despatched to the Scheme Shareholders together with this Scheme Document. If Scheme Shareholders as "non-resident enterprises" are unable to determine on their own whether the tax treaties are applicable to them and whether to submit to the Offeror the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits, they are suggested to complete the PRC Enterprise Income Tax Declaration Form in accordance with the instructions thereon and return the original and a scanned copy to the Offeror, with the original to be posted to COFCO (Hong Kong) Limited, 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, for the attention of Miss Sun, and the scanned copy to be submitted to taf@cofco.com (please refer to the "Collecting and Returning the PRC Enterprise Income Tax Declaration Form" below for details).

Scheme Shareholders are personally responsible for making their own assessment about whether they should complete the PRC Enterprise Income Tax Declaration Form.

Tax Payment Arrangement

Regardless of whether the Scheme Shareholders have submitted completed PRC Enterprise Income Tax Declaration Forms to the Offeror, all Scheme Shareholders will receive their cheques for cash entitlements under the Scheme paid for by the Offeror (or its nominee) as soon as possible but in any event within 7 Business Days following the Scheme having become effective.

However, for Scheme Shareholder who is a "non-resident enterprise" as defined in applicable PRC tax laws and are not entitled to benefit under any applicable tax treaties, if

such Scheme Shareholder choose to authorise the Offeror to declare and pay tax on their behalf, the Scheme Shareholder should complete and return to the Offeror the original and scanned copies of Form B of the PRC Enterprise Income Tax Declaration Form, Power of Attorney and the PRC Withholding Income Tax Filing Return, together with the proof of its shareholding in the Company and a cheque addressed to COFCO (Hong Kong) Limited in the Tax Amount for tax payment in accordance with applicable PRC tax laws.

The Tax Amount as determined above and received by the Offeror will be paid by the Offeror to the PRC tax authority, and the balance (if any) will be returned to the relevant Scheme Shareholders. The Offeror may also request the Scheme Shareholders for additional cheques to cover any deficit.

Scheme Shareholders should note that the Offeror, the Offeror's tax filing agent, and any other agents of the Offeror will not be responsible for handling any applications regarding tax relief or tax exemption or tax refund from any PRC tax authority. By returning the PRC Enterprise Income Tax Declaration Form, the relevant Scheme Shareholder agrees to bear and pay any and all tax of any nature that is required by applicable laws to be paid by it arising out of the transactions contemplated by the Proposal. Specifically, the Offeror shall have no obligation to bear any tax or penalties relating thereto of any and all nature that is required by applicable law to be paid by such Scheme Shareholder arising out of the transactions contemplated by the Proposal.

Collecting and Returning the PRC Enterprise Income Tax Declaration Form

If you need to submit the PRC Enterprise Income Tax Declaration Form, the Power of Attorney and/or the PRC Withholding Income Tax Filing Return to the Offeror under the above arrangements, you should complete the PRC Enterprise Income Tax Declaration Form, the Power of Attorney and/or the PRC Withholding Income Tax Filing Return and return the original and a scanned copy to the Offeror no later than 5.30 p.m. on the 20th calendar day (or if it is not a Business Day, the Business Day immediately before that day) after the Effective Date (or such other date and time as may be notified to you by the Offeror), with the original to be posted to COFCO (Hong Kong) Limited, 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, for the attention of Miss Sun, and the scanned copy to be submitted to taf@cofco.com, and marked "China Agri-Industries Holdings Limited – PRC Enterprise Income Tax Declaration Form".

A copy of the PRC Enterprise Income Tax Declaration Form, the Power of Attorney and the PRC Withholding Income Tax Filing Return will be despatched to the Scheme Shareholders together with this Scheme Document. If you wish to obtain an additional copy of the PRC Enterprise Income Tax Declaration Form, the Power of Attorney and/or the PRC Withholding Income Tax Filing Return, please collect it from COFCO (Hong Kong) Limited, 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong between 9:30 a.m. to 5:30 p.m. on any Business Day during the period from the date of this Scheme Document until the 20th calendar day after the Effective Date (or if it is not a Business Day, the Business Day immediately before that day).

No acknowledgment of receipt of the PRC Enterprise Income Tax Declaration Form or any other documents will be given.

The Offeror will not provide any tax advice or advise the Scheme Shareholders whether or not they are required to complete the PRC Enterprise Income Tax Declaration Form. Scheme Shareholders are personally responsible for making their own assessment about whether they must complete the PRC Enterprise Income Tax Declaration Form, and they will be solely responsible and liable for all taxes related to any Cancellation Price payable to them under the Proposal. Scheme Shareholders should consult their own tax adviser for a full understanding of the tax law consequences of the transactions contemplated under the Proposal to them, including any PRC tax consequences.

Returning the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits

If you, as a “non-resident enterprise”, have determined that you have no PRC tax filing obligations or any tax payment obligations in respect of the Scheme Shares pursuant to the Proposal under the applicable tax treaty arrangements, you should submit the original and a scanned copy of a “Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits” no later than 5:30 p.m. on the 20th calendar day (or if it is not a Business Day, the Business Day immediately before that day) after the Effective Date (or such other date and time as may be notified to you by the Offeror), with the original to be posted to COFCO (Hong Kong) Limited, 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, attention of Miss Sun, and the scanned copy to be submitted to taf@cofco.com, and marked “China Agri-Industries Holdings Limited – PRC Tax – Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits”.

A copy of the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits will be despatched to the Scheme Shareholders together with this Scheme Document. If you wish to obtain an additional copy of the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits, please collect it from COFCO (Hong Kong) Limited, 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong between 9:30 a.m. to 5:30 p.m. on any Business Day during the period from the date of this Scheme Document until the 20th calendar day after the Effective Date (or if it is not a Business Day, the Business Day immediately before that day).

It is emphasised that none of the Offeror, the Company, CICC, the Offeror’s tax filing agent, and their agents or any of their respective directors, officers or associates or any other person involved in the Scheme or the Option Offer accepts responsibility or has any liability for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Scheme or the Option Offer. Irrespective of whether a PRC Enterprise Income Tax Declaration Form has been returned, all Scheme Shareholders, Beneficial Owners and/or Optionholders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Proposal and they shall be solely responsible for their liabilities (including tax liabilities) in relation to the Scheme and/or the Option Offer.

19. COURT MEETING AND GENERAL MEETING

The High Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification). Only the Independent Shareholders will be entitled to attend and vote at the Court Meeting under Rule 2.10 of the Takeovers Code. The Scheme will be subject to the approval by holders of Scheme Shares and Independent Shareholders, whose names appear in the register of members of the Company as at the Meeting Record Date, at the Court Meeting and not be voted against in the manner referred to in the section headed “4. Conditions of the Proposal and the scheme” above in this Explanatory Statement. The Shares held by the Offeror, Wide Smart and Jumbo Profit will not form part of the Scheme Shares and, as such, will not be voted at the Court Meeting. The Shares held by a close relative of Mr. Yu Xubo and the Shares held by Mr. Song Liang both being directors of the Offeror, will form part of the Scheme Shares but will not be voted at the Court Meeting.

As at the Latest Practicable Date, save that: (i) Mr. Xu Guanghong held 293,700 Share Options (representing 0.006% of the issued Shares); (ii) Ms. Hua Jian held 267,000 Shares (representing 0.0051% of the issued Shares) and 330,000 Share Options (representing 0.006% of the issued Shares); and (iii) Mr. Patrick Vincent Vizzzone held 100,000 Shares (representing 0.0019% of the issued Shares), none of the Directors had any shareholding or was interested (within the meaning of Part XV of the SFO) in shares of the Offeror or of the Company.

Immediately following the conclusion of the Court Meeting, the General Meeting will be held for the purpose of considering and, if thought fit, passing the special resolution to give effect to the Scheme, including the reduction of the share capital of the Company. All Shareholders whose names appear in the register of members of the Company as at the Meeting Record Date will be entitled to attend and vote in respect of the special resolution at the General Meeting. The Offeror and Wide Smart indicated that they will vote in favour of the special resolution to be proposed at the General Meeting to, subject to the approval of the Scheme between the Company and the holders of the Scheme Shares, approve and give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled.

Notice of the Court Meeting is set out in Appendix IV to this Scheme Document. The Court Meeting will be held at 10:00 a.m. on Friday, 6 March 2020 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

Notice of the General Meeting is set out in Appendix V to this Scheme Document. The General Meeting will be held at 10:30 a.m. (or, if later, immediately after the Court Meeting convened for the same day and place shall have been concluded or adjourned) on Friday, 6 March 2020 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

20. ACTIONS TO BE TAKEN

Action to be taken by Shareholders

For the purpose of determining the entitlements of holders of Scheme Shares to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Monday, 2 March 2020 to Friday, 6 March 2020 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Friday, 28 February 2020.

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the General Meeting are enclosed with this Scheme Document. Subsequent purchasers of Scheme Shares will need to obtain the relevant proxy form from the transferor if he wishes to attend or vote at the Court Meeting and/or the General Meeting.

Whether or not you are able to attend the Court Meeting and/or the General Meeting or any adjournment thereof in person, if you are a Scheme Shareholder, we strongly urge you to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting, and if you are a Shareholder, we strongly urge you to complete and sign the enclosed **white** form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon, and to lodge them at the office of the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. **In order to be valid, the pink form of proxy for use at the Court Meeting should be lodged no later than 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof, and the white form of proxy for use at the General Meeting should be lodged no later than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof.** The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof. In such event, the returned form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the General Meeting, you will still be bound by the outcome of the Court Meeting and the General Meeting if, among other things, the resolutions are passed by the requisite majorities of the holders of Scheme Shares or the holders of Shares (as the case may be). We therefore strongly urge you to attend and vote at the Court Meeting and the General Meeting in person or by proxy.

Voting at the Court Meeting and the General Meeting will be taken by poll as required under the Listing Rules and the Takeovers Code.

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the General Meeting on Friday, 6 March 2020. If all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the hearing of the petition to sanction the Scheme by the High Court and, if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

Actions to be taken by Beneficial Owners whose Shares are held through trust or deposited in CCASS

The Company will not recognise any person as holding any Shares through any trust. If you are a Beneficial Owner whose Shares are held upon trust by, and registered in the name of, a Registered Owner (other than HKSCC Nominees Limited), you should contact the Registered Owner and provide the Registered Owner with instructions and/or make arrangements with the Registered Owner in relation to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the General Meeting. Such instructions and/or arrangements should be given or made in advance of the deadline in respect of the Court Meeting and the General Meeting set by the Registered Owner in order to provide the Registered Owner with sufficient time to accurately complete his, her or its proxy form and to submit it by the deadline stated above. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the aforementioned latest time for the lodgment of forms of proxy in respect of the Court Meeting and the General Meeting, any such Beneficial Owner should comply with the requirements of the Registered Owner.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the General Meeting personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the General Meeting and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the General Meeting shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof. In the event that the Registered Owner attends and votes at the relevant meeting or any adjournment thereof after having lodged his forms of proxy, the returned form of proxy will be deemed to have been revoked.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are a CCASS Investor Participant, contact your broker, custodian, nominee, or other relevant person who is, or has, in turn, deposited such Shares with other CCASS Participants, regarding voting instructions to be given to such persons if you wish to vote at the Court Meeting and/or at the General Meeting in respect of the Scheme. You should contact your broker, custodian, nominee or other relevant person in advance of the deadline in respect of the Court Meeting and the General Meeting set by them, in order to provide such person with sufficient time to provide HKSCC Nominees Limited with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the General Meeting. The procedure for voting in respect of the Scheme by HKSCC Nominees Limited with respect to the Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

HKSCC Nominees Limited may also vote for and against the Scheme in accordance with instructions received from CCASS Participants (as defined under the General Rules of CCASS).

If you are a Beneficial Owner whose Shares are deposited in CCASS, you may also elect to become a Shareholder of record, and thereby have the right to attend and vote at the Court Meeting (if you are a Scheme Shareholder) and the General Meeting (as a Shareholder). You can become a Shareholder of record by withdrawing all or any of your Shares from CCASS and becoming a Registered Owner of such Shares. For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Shares are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and the General Meeting, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

Actions to be taken by Optionholders

The Option Offer Letter is being sent to each Optionholder, together with this Scheme Document and a Form of Acceptance. If you are an Optionholder and you wish to accept the Option Offer, you must complete and return the duly completed and executed Form of Acceptance so as to reach the Offeror, care of China Agri-Industries Holdings Limited at 7th Floor, COFCO Fortune Plaza, No. 8 Chaoyangmen South Street, Chaoyang District, Beijing 100020, China, for the attention of the Human Resources Department of the Company and marked “China Agri-Industries Holdings Limited – Option Offer”. All Optionholders must lodge the duly completed and executed Form of Acceptance to be received at or before 4:30 p.m. on Monday, 9 March 2020 (or such later date and time as may be notified to you by the Offeror or CICC or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange). No acknowledgement of receipt of any Form of Acceptance or other document evidencing the grant of Share Options or any other document will be given.

You are urged to read the instructions and other terms and conditions of the Option Offer in the Option Offer Letter, substantially in the form set out in Appendix VII to this Scheme Document.

EXERCISE YOUR RIGHT TO VOTE

IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, THE OFFEROR AND THE COMPANY STRONGLY ENCOURAGE YOU TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND AT THE GENERAL MEETING. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAM, THE OFFEROR AND THE COMPANY URGE YOU TO RECALL ANY OUTSTANDING SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED STOCK TO VOTE.

IF YOU ARE A BENEFICIAL OWNER WHOSE SHARES ARE DEPOSITED IN CCASS, THE OFFEROR AND THE COMPANY ENCOURAGE YOU TO PROVIDE HKSCC NOMINEES LIMITED WITH INSTRUCTIONS OR MAKE ARRANGEMENTS WITH HKSCC NOMINEES LIMITED IN RELATION TO THE MANNER IN WHICH THOSE SHARES SHOULD BE VOTED AT THE COURT MEETING AND/OR AT THE GENERAL MEETING WITHOUT DELAY AND/OR WITHDRAWN FROM CCASS AND TRANSFERRED INTO YOUR NAME (AS DETAILED IN THE SECTION “ACTIONS TO BE TAKEN – ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD THROUGH TRUST OR DEPOSITED IN CCASS” ABOVE).

IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, WE SHOULD BE GRATEFUL IF YOU WOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU ARE ENCOURAGED TO CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

21. RECOMMENDATION

Your attention is drawn to the following:

- (i) the paragraph headed “Recommendation” in the “Letter from the Board” set out in Part IV of this Scheme Document;
- (ii) the letter from the Independent Board Committee set out in Part V of this Scheme Document; and
- (iii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document.

22. FURTHER INFORMATION

Further information is set out in the Appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Statement.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of the Company, the Offeror, CICC, the Independent Financial Adviser, the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

1. FINANCIAL SUMMARY

Set out below is a summary of the consolidated financial information of the Group for each of the three years ended 31 December 2016, 31 December 2017 and 31 December 2018 and for the six months ended 30 June 2019 of which the material items of income or expenses for each of the three years ended 31 December 2016, 31 December 2017 and 31 December 2018 and for the six months ended 30 June 2019 are included. The figures for the years ended 31 December 2016 and 31 December 2017 are extracted from the annual report of the Company for the year ended 31 December 2017, the figures for the year ended 31 December 2018 are extracted from the annual report of the Company for the year ended 31 December 2018, and the figures for the six months ended 30 June 2019 are extracted from the interim report of the Company for the six months ended 30 June 2019.

	(Unaudited) For the six months ended 30 June 2019 HK\$'000	(Audited) For the year ended 31 December 2018 2017 2016 HK\$'000 HK\$'000 HK\$'000 (Restated)		
Revenue	59,754,034	108,821,161	87,856,153	78,049,407
Cost of Sales	(56,095,748)	(99,765,837)	(81,476,703)	(73,140,355)
Gross Profit	3,658,286	9,055,324	6,379,450	4,909,052
Other income and gains	266,350	632,943	1,014,340	782,317
Selling and distribution expenses	(2,390,218)	(4,966,487)	(2,857,852)	(2,182,099)
Administrative expenses	(723,449)	(1,811,294)	(1,795,200)	(1,627,502)
Other expenses	(129,438)	(631,984)	(451,645)	(238,623)
Finance costs	(379,789)	(691,640)	(630,649)	(635,672)
Share of profits and losses of associates	19,721	363,824	204,007	225,719
Profit before tax from continuing operations	321,463	1,950,686	1,862,451	1,233,192
Income tax	79,131	(317,718)	(243,849)	(142,119)
Profit for the period from continuing operations	400,594	1,632,968	1,618,602	1,091,073
Profit for the period from a discontinued operation	—	—	1,758,880	440,764
Profit for the period	400,594	1,632,968	3,377,482	1,531,837

	(Unaudited) For the six months ended 30 June 2019 HK\$'000	(Audited) For the year ended 31 December 2018 2017 2016 HK\$'000 HK\$'000 HK\$'000 (Restated)		
Profit attributable to:				
Owners of the Company	448,827	1,346,056	3,042,323	1,419,145
Non-controlling interests	(48,233)	286,912	335,159	112,692
	400,594	1,632,968	3,377,482	1,531,837
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange difference on translation of foreign operations	(131,226)	(1,174,150)	2,014,246	(1,808,254)
Reclassification adjustments for foreign operations disposed of during the year	—	—	(695,446)	—
Total comprehensive income/(loss) for the period	269,368	458,818	4,696,282	(276,417)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	344,018	363,994	4,062,500	(119,126)
Non-controlling interests	(74,650)	94,824	633,782	(157,291)
	269,368	458,818	4,696,282	(276,417)
Total dividends declared/paid	89,403	268,195	1,307,220	283,494

	(Unaudited) For the six months ended 30 June 2019	(Audited) For the year ended 31 December		
		2018	2017	2016 (Restated)
Earnings per share attributable to ordinary equity holders of the Company:				
Basic				
– For profit for the period	8.53 HK cents	25.61 HK cents	57.95 HK cents	27.03 HK cents
– For profit from continuing operations	8.53 HK cents	25.61 HK cents	24.72 HK cents	18.59 HK cents
Diluted				
– For profit for the period	8.53 HK cents	25.57 HK cents	57.87 HK cents	27.03 HK cents
– For profit from continuing operations	8.53 HK cents	25.57 HK cents	24.68 HK cents	18.59 HK cents
Total dividends per share	1.7 HK cents	5.1 HK cents (Note 1)	24.9 HK cents (Note 2)	5.4 HK cents

Note 1: Including an interim dividend of 3.60 HK cents and final dividend of 1.50 HK cents.

Note 2: Including an interim dividend of 4.00 HK cents, final dividend of 0.90 HK cents and special dividend of 20.0 HK cents.

The auditors' report issued by the auditors of the Company, Deloitte Touche Tohmatsu, in respect of the audited consolidated financial statements of the Group for the year ended 31 December 2018, and the auditors' reports issued by the then auditors of the Company, Ernst & Young, in respect of the audited consolidated financial statements of the Group for the two years ended 31 December 2016 and 31 December 2017, did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2018 (the “**2018 Financial Statements**”) and (ii) the unaudited condensed interim financial statements of the Group for the six months ended 30 June 2019 (the “**2019 Interim Financial Statements**”), together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2018 Financial Statements are set out on pages 63 to 191 of the annual report of the Company for the year ended 31 December 2018 (the “**2018 Annual Report**”), which was published on 24 April 2019. The 2018 Annual Report is posted on the Company’s website (www.chinaagri.com) and the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2018 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0424/ltn20190424348.pdf>

The 2019 Interim Financial Statements are set out on pages 21 to 57 of the interim report of the Company for the six months ended 30 June 2019 (the “**2019 Interim Report**”), which was published on 19 September 2019. The 2019 Interim Report is posted on the Company’s website (www.chinaagri.com) and the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2019 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0919/2019091900323.pdf>

The 2018 Financial Statements and the 2019 Interim Financial Statements (but not any other part of the 2018 Annual Report and 2019 Interim Report in which they respectively appear) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

3. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2019, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of the Scheme Document, the Group had a total outstanding indebtedness amount of HK\$17,509,157,000, details of which are as follows:

	<i>HK\$'000</i>
Bank loans	
– Unsecured and unguaranteed	15,847,446
– Unsecured and guaranteed	10,913
– Secured (<i>Note (i)</i>) and unguaranteed	<u>260,075</u>
	16,118,434
Loans from the ultimate holding company	
– Unsecured and unguaranteed	<u>370,125</u>
Loans from fellow subsidiaries	
– Unsecured and unguaranteed	<u>810,338</u>
Loan from a non-controlling shareholder of a subsidiary	
– Unsecured and unguaranteed	<u>28,284</u>
Lease liabilities	
– Unsecured and unguaranteed	124,330
– Secured (<i>Note (ii)</i>) and unguaranteed	<u>57,646</u>
	<u>181,976</u>
Total	<u><u>17,509,157</u></u>

Note (i): The secured bank loans were secured by certain bank deposit and bills receivable of the Group.

Note (ii): The secured lease liabilities were secured by rental deposit paid by the Group.

Save as aforesaid and apart from intra-group liabilities and guarantees, as at the close of business on 30 November 2019, the Group did not have any debt securities issued and outstanding, authorised or otherwise created but unissued, outstanding mortgages, charges, debentures, guarantees, bank overdrafts or other loans, other similar indebtedness, lease liabilities or hire purchase commitments, liabilities under acceptances or acceptance credits, or any other material contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that, save for the following matter, there has been no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2018, the date to which the latest audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date:

- (i) As set out in the Company's interim report for the six months ended 30 June 2019, the Company recorded a net profit attributable to Shareholders of approximately HK\$449 million, representing a decrease of 40.2% as compared with a net profit attributable to Shareholders of approximately HK\$751 million for the six months ended 30 June 2018 despite the revenue increased by 23.7% as compared to the corresponding period in the previous year. The decrease was primarily due to the weaker demand on animal feeds which affected the business performance of the oilseeds processing business of the Group and the increase in cost of sales as compared with the corresponding period last year;
- (ii) as set out in the Company's announcement in relation to the estimated annual results for 2019 dated 14 January 2020 (the "**Profit Forecast Announcement**"), based on the Group's unaudited consolidated management accounts for the year ended 31 December 2019 the Company expects the profit attributable to owners of the Company to range from HK\$1,200 million to HK\$1,240 million, being about 11% to 8% less than that of about HK\$1,346 million for the year ended 31 December 2018. In 2019, changes in trade policies of certain major global economies brought market fluctuations and made it more challenging for the Group to make business decisions. The breeding industry witnessed falling hog stocks mainly due to the impact of African Swine Fever, resulting in a weaker demand for soybean meal and other materials for animal feed. Even though the prices of vegetable oil and oilseed meal rebounded from their lows in the second half of 2019, the average profit margin for the year in respect of domestic oilseeds processing industry narrowed as compared to that in 2018. The Group continued to implement its existing strategies, leveraging its competitive, integrated model and steadily promoting its branded business. As a result, business operations overall stabilised during the period;
- (iii) as set out in the Company's announcement dated 4 February 2020, the Board has declared the Further Interim Dividend of 4 HK cents per Share payable to the Shareholders whose names appear on the register of members of the Company on the Dividend Record Date;
- (iv) subsequent to 31 December 2019, there have been reports of an outbreak of novel coronavirus 2019 ("**2019-nCoV**") which, as of its announcement dated 30 January 2020, the World Health Organisation declared that the outbreak of 2019-nCoV now meets the criteria for a Public Health Emergency of International Concern. Given that this is so recent, it is impracticable to assess its impact on the Group for the financial year commencing 1 January 2020; and

- (v) notwithstanding some correction in the export prices of soybean in the major export countries (according to the International Grains Council) following the signing of the phase one of the Sino-US trade agreement in mid-January 2020, it remains uncertain as to how it will continue to impact the prices of grains and oilseeds in a longer term which, together with the outbreak of 2019-nCoV, may also impact the Group's operations.

As the Profit Forecast Announcement constitutes a profit forecast made during the offer period, it must be reported on by the Company's financial advisers and auditors pursuant to Rule 10 of the Takeovers Code. Their reports must be included in the next document addressed to the Company's shareholders in connection with the Proposal, which would have been this Scheme Document.

However, due to the outbreak of novel coronavirus in the PRC and the containment and quarantine policies adopted and/or promoted by the PRC government, the auditors of the Company, Deloitte Touche Tohmatsu, has encountered significant practical difficulties in preparing its report, and the Independent Financial Adviser is also as a result unable to issue its report, for the Profit Forecast Announcement in this Scheme Document, as required in Rule 10.4 of the Takeovers Code. Due to the above exceptional circumstances, the Executive has indicated that it is inclined to grant a waiver for the above reports for the Profit Forecast Announcement not to be contained in this Scheme Document, on the condition that such reports and the views of the Independent Financial Adviser and the Independent Board Committee will be disclosed by way of an announcement to be issued within 5 days after the despatch of this Scheme Document (i.e. no later than Wednesday, 19 February 2020) and in any event no later than Friday, 21 February 2020, being 14 days prior to the date of the Court Meeting and the General Meeting.

Shareholders and potential investors should be aware that this Scheme Document does not meet the standard required by Rule 10 of the Takeovers Code as the Profit Forecast Announcement was not reported on as required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on this Scheme Document and wait for the issue by the Company of the announcement containing the reports on the Profit Forecast to be prepared by Deloitte Touche Tohmatsu and the Independent Financial Adviser and the views of the Independent Financial Adviser and the Independent Board Committee, in assessing the merits and demerits of the Proposal and dealing in the securities of the Company. Shareholders and potential investors of the Company are also advised to read carefully the above announcement before deciding on whether and, if so how, to vote at the Court Meeting and the General Meeting.

1. RESPONSIBILITY STATEMENTS

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document relating to the Group and the Directors and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Scheme Document by the Company or the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement contained in this Scheme Document misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than any information relating to the Group and the Directors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the Company or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statements in this Scheme Document misleading.

2. ISSUED SHARES OF THE COMPANY

As at the Latest Practicable Date:

- (A) the issued and paid-up shares of the Company comprised 5,260,699,388 Shares;
- (B) all of the Shares rank *pari passu* in all respects as regards rights to capital, dividends and voting;
- (C) no new Shares have been issued since 31 December 2019, being the end of the last financial year of the Company;
- (D) save for the 29,269,700 outstanding Share Options granted under the Share Option Scheme, there are no other options, derivatives, warrants or other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

3. MARKET PRICES

The table below sets out the closing price of the Shares on the Stock Exchange on (i) the last Business Day of each of the calendar months during the period commencing six months preceding the Announcement Date and ending on the Latest Practicable Date, (ii) the Last Trading Day, and (iii) the Latest Practicable Date:

Date	Closing price for each Share (HK\$)
31 May 2019	2.37
28 June 2019	2.51
31 July 2019	2.39
30 August 2019	2.21
30 September 2019	2.55
31 October 2019	2.59
22 November 2019 (Last Trading Day)	3.17
29 November 2019	4.11
31 December 2019	4.13
31 January 2020	4.17
11 February 2020 (Latest Practicable Date)	4.23

The lowest and highest closing prices of Shares as quoted on the Stock Exchange during the period commencing six months preceding the Announcement Date and ending on the Latest Practicable Date were HK\$2.02 per Share on 26 August 2019 and HK\$4.23 per Share on 10 and 11 February 2020, respectively.

4. DISCLOSURE OF INTERESTS

For the purpose of this paragraph, (i) “interested” have the same meanings as given to them in Part XV of the Securities and Futures Ordinance; and (ii) the “Disclosure Period” means the period commencing on the date which is six months prior to the Announcement Date and ending on the Latest Practicable Date, both dates inclusive.

- (A) As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties were interested in the following Shares:

	Number of Shares	Approximate % of issued Shares
Offeror	468,986,827	8.91
Wide Smart (<i>Note 1</i>)	2,681,315,430	50.97
Jumbo Profit (<i>Note 2</i>)	45,500,000	0.86
Mr. Yu Xubo (<i>Note 3</i>)	235,364	0.0045
Mr. Song Liang (<i>Note 4</i>)	10,800	0.00021

Notes:

- (1) Wide Smart is a party presumed to be acting in concert with the Offeror for the purposes of the Takeovers Code as a result of Wide Smart being wholly-owned by the Offeror.
- (2) Jumbo Profit is a party presumed to be acting in concert with the Offeror for the purposes of the Takeovers Code as the shares of Jumbo Profit are held under a declaration of trust in favour of Offeror Parent.
- (3) These Shares are held by a close relative of Mr. Yu Xubo, a director of the Offeror, who is a party presumed to be acting in concert with the Offeror for the purposes of the Takeovers Code.
- (4) These Shares are held by Mr. Song Liang, a director of the Offeror, who is a party presumed to be acting in concert with the Offeror for the purposes of the Takeovers Code.

- (B) During the Disclosure Period, the Offeror had the following dealings for value:

Date (<i>dd-mm-yyyy</i>)	Purchase/Sale	Number of Shares	Average price per Share (<i>HK\$</i>)
26-06-2019	Purchase	2,000,000	2.4486
27-06-2019	Purchase	34,000	2.4756
02-07-2019	Purchase	181,000	2.4800
04-07-2019	Purchase	933,000	2.4879
05-07-2019	Purchase	414,000	2.4875
08-07-2019	Purchase	491,000	2.4568
09-07-2019	Purchase	1,730,000	2.4506
10-07-2019	Purchase	3,000,000	2.4705
11-07-2019	Purchase	3,761,000	2.4769
12-07-2019	Purchase	3,000,000	2.4759
15-07-2019	Purchase	1,878,000	2.4321
16-07-2019	Purchase	1,584,000	2.4452
17-07-2019	Purchase	1,078,000	2.4513

Date <i>(dd-mm-yyyy)</i>	Purchase/Sale	Number of Shares	Average price per Share <i>(HK\$)</i>
18-07-2019	Purchase	928,000	2.4389
19-07-2019	Purchase	1,034,000	2.4890
22-07-2019	Purchase	2,708,000	2.4830
23-07-2019	Purchase	1,261,000	2.5121
24-07-2019	Purchase	3,000,000	2.5276
25-07-2019	Purchase	1,378,000	2.5693
29-08-2019	Purchase	2,345,000	2.0799
30-08-2019	Purchase	2,411,000	2.1859
02-09-2019	Purchase	304,000	2.2000
03-09-2019	Purchase	732,000	2.2219
05-09-2019	Purchase	2,000,000	2.2637
06-09-2019	Purchase	1,784,000	2.2641
09-09-2019	Purchase	1,612,000	2.2327
10-09-2019	Purchase	181,000	2.2361
12-09-2019	Purchase	225,000	2.2656
13-09-2019	Purchase	50,000	2.2700
16-09-2019	Purchase	317,000	2.2900
17-09-2019	Purchase	533,000	2.2787
18-09-2019	Purchase	2,955,000	2.2925
19-09-2019	Purchase	3,581,000	2.3476
20-09-2019	Purchase	6,000,000	2.3920
23-09-2019	Purchase	6,000,000	2.3762
24-09-2019	Purchase	2,203,000	2.3822
25-09-2019	Purchase	7,820,000	2.3958
26-09-2019	Purchase	3,997,000	2.4354
27-09-2019	Purchase	2,507,000	2.4795
30-09-2019	Purchase	2,709,000	2.5275
02-10-2019	Purchase	1,862,000	2.5495
03-10-2019	Purchase	414,000	2.5586
04-10-2019	Purchase	2,839,000	2.5728
08-10-2019	Purchase	5,397,000	2.5853
09-10-2019	Purchase	5,682,000	2.5862
10-10-2019	Purchase	3,427,000	2.6498
11-10-2019	Purchase	3,916,000	2.6758

- (C) Save as disclosed above, as at the Latest Practicable Date, none of the Offeror and the Offeror Concert Parties (including the directors of the Offeror) owned or controlled, or was interested in, any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares, and no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Disclosure Period.
- (D) As at the Latest Practicable Date, none of the Offeror and the Offeror Concert Parties had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares, save for any borrowed Shares which have been either on-lent or sold.
- (E) As at the Latest Practicable Date, none of the Company and the Directors owned or controlled, or was interested in, any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror, and no such person had dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror during the Disclosure Period.
- (F) As at the Latest Practicable Date, the following Directors were interested in the following Shares and Share Options:

	Number of Shares	Approximate % of issued Shares	Number of Share Options	Approximate % of issued Shares
Mr. XU Guanghong	–	–	293,700	0.006
Ms. HUA Jian	267,000	0.0051	330,000	0.006
Mr. Patrick Vincent VIZZONE	100,000	0.0019	–	–

Each of Ms. Hua Jian and Mr. Patrick Vincent Vizzone intends, in respect of her/his own beneficial shareholdings, to vote in favour of the Scheme. Each of Mr. Xu Guanghong and Ms. Hua Jian intends, in respect of Share Options held by him/her, to accept the Option Offer.

- (G) Save as disclosed above, none of the Directors was interested in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares, and no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the Disclosure Period.

- (H) As at the Latest Practicable Date, no subsidiary of the Company, pension fund of the Company or of any subsidiary of the Company or adviser of the Company as specified in class (5) of the definition of acting in concert or class (2) of the definition of associate under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares, and no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the period commencing on the Announcement Date and ending on the Latest Practicable Date, both days inclusive.
- (I) As at the Latest Practicable Date, no fund managers connected with the Company (other than exempt fund managers) owned or controlled any Shares or convertible securities, warrants, options or derivatives in respect of any Shares, in each case which are managed on a discretionary basis, and no such person had dealt for value in the Shares or convertible securities, warrants, options or derivatives in respect of any Shares during the period commencing on the Announcement Date and ending on the Latest Practicable Date, both days inclusive.
- (J) As at the Latest Practicable Date, none of the Company or any Director has borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares, save for any borrowed Shares which have been either on-lent or sold.

5. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL

5.1 Arrangements affecting Directors

As at the Latest Practicable Date:

- (A) no benefit would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal;
- (B) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal; and
- (C) there was no material contract entered into by the Offeror in which any Director has a material personal interest.

5.2 Arrangements with the Offeror in connection with the Proposal

As at the Latest Practicable Date:

- (A) the Offeror had no intention to transfer, charge or pledge any securities in the Company acquired pursuant to the Scheme to any other person, and had no agreement, arrangement or understanding with any third party to do so;
- (B) no person had irrevocably committed themselves to accept or reject, or vote in favour or against, the Proposal;
- (C) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code that existed between any person and the Offeror or any Offeror Concert Party;
- (D) there was no agreement, arrangement or undertaking (including any compensation arrangement) between the Offeror or any Offeror Concert Party on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon the Proposal; and
- (E) there was no agreement or arrangement to which Offeror was a party which related to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal.

5.3 Arrangements with the Company in connection with the Proposal

As at the Latest Practicable Date, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code that existed between any person and the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

7. SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) had been entered into or amended within the 6 months before the date of the Announcement; (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period:

Name of Director	Date of service contract	Term of service contract	Amount of remuneration
Mr. LUAN Richeng	7 December 2018	7 December 2018 to 6 December 2021	No remuneration payable under the service contract
Mr. WANG Zhen	15 April 2019	15 April 2019 to 14 April 2022	At a rate of RMB1,620,000 per annum and which is subject to adjustment based on specific performance criteria
Mr. XU Guanghong	2 January 2019	2 January 2019 to 1 January 2022	At a rate of RMB2,000,000 per annum and which is subject to adjustment based on specific performance criteria
Ms. HUA Jian	15 April 2019	15 April 2019 to 14 April 2022	As at the Latest Practicable Date, this had not yet been determined by the remuneration committee of the Company
Mr. JIA Peng	16 January 2020	6 January 2020 to 5 January 2021	No remuneration payable under the service contract

Name of Director	Date of service contract	Term of service contract	Amount of remuneration
Mr. LAM Wai Hon, Ambrose	16 February 2019	16 February 2019 to 15 February 2022	HK\$360,000 per annum or such sum as the Company may from time to time determine*
Mr. Patrick Vincent VIZZONE	16 February 2019	16 February 2019 to 15 February 2022	HK\$360,000 per annum or such sum as the Company may from time to time determine*
Mr. ONG Teck Chye	16 February 2019	16 February 2019 to 15 February 2022	HK\$360,000 per annum or such sum as the Company may from time to time determine*

**Note:* An additional fee of HK\$5,000 is payable for each extra meeting or written resolution (other than the statutory ones required under the Listing Rules or the Companies Ordinance) which requires his attendance, undertaking or participation, provided that it is in relation to notifiable transactions (Chapter 14 of the Listing Rules), connected transactions (Chapter 14A of the Listing Rules), any material matter or event discloseable under Chapter 13 of the Listing Rules or transactions falling under the Takeovers Code.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into the ordinary course of business carried on or intended to be carried on by any member of the Group) had been entered into by a member of the Group after the date two years before the Announcement Date up to and including the Latest Practicable Date:

- (A) the equity acquisition master agreement dated 31 August 2018 entered into among wholly-owned subsidiaries of the Company (as purchasers), namely, Oriental Chance Limited, COFCO Oils (HK) No.2 Limited and COFCO Oils & Fats Holdings Limited, and subsidiaries of the Offeror Parent (as vendors), namely, COFCO International Singapore Pte. Ltd., Great Wall Investments Pte. Ltd., Sino Agri-Trade Pte. Ltd. and H.K. Ming Fat International Oil & Fat Chemical Company Limited in relation to the acquisition of the equity interest in Qinzhou Dayang Cereals and Oils Co., Ltd.* (欽州大洋糧油有限公司), Chongqing Xinfu Food Co., Ltd.* (重慶新涪食品有限公司), Longkou Xinlong Edible Oil Co., Ltd.* (龍口新龍食油有限公司) and Ming Fat International Oil & Fat Chemical (Taixing) Co., Ltd.* (明發國際油脂化工(泰興)有限公司) for an aggregate consideration of approximately RMB1,294 million;

(B) the capital increase agreement dated 31 August 2018 entered into among a wholly-owned subsidiary of the Company, COFCO (Dongguan) Oils & Grains Industries Co., Ltd.* (中糧(東莞)糧油工業有限公司), and subsidiaries of Offeror Parent, COFCO Trading Co., Ltd.* (中糧貿易有限公司) and COFCO Trading (Guangdong) Co., Ltd.* (中糧貿易(廣東)有限公司), in relation to the capital contribution in the amount of RMB620 million into COFCO Trading (Guangdong) Co., Ltd.* (中糧貿易(廣東)有限公司) made by COFCO (Dongguan) Oils & Grains Industries Co., Ltd.* (中糧(東莞)糧油工業有限公司); and

(C) the supplemental deed dated 31 August 2018 entered into among the Offeror Parent, the Offeror and the Company to amend a non-competition deed dated 16 February 2007 (as amended on 23 October 2017) entered into among the same parties.

* For identification purpose only

9. EXPERTS AND CONSENTS

The following are the qualifications of each of the experts who has given opinions or advice which are contained in this Scheme Document:

Name	Qualification
CICC	a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Savills Valuation and Professional Services Limited	Independent property valuer
Somerley	a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Each of the above experts has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion therein of the text of its opinions, letters and/or reports and/or the references to its name, opinions, letters and/or reports in the form and context in which they respectively appear.

10. NON-STATUTORY ACCOUNTS OF THE GROUP

The financial information of the Group relating to the years ended 31 December 2014, 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 that is disclosed or incorporated by reference into this Scheme Document does not constitute the Group's

statutory annual consolidated financial statements for those years but was derived from those financial statements. Further information relating to the Group's statutory annual consolidated financial statements for the years ended 31 December 2014, 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018, required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The statutory annual consolidated financial statements of the Group for the years ended 31 December 2014, 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. An auditor's report has been prepared on each of those financial statements. The auditor's report were not qualified or otherwise modified, did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under section 406(2) or 407(2) or (3) of the Companies Ordinance.

11. MISCELLANEOUS

- (A) Principal members of the Offeror's concert group include the Offeror and Wide Smart.
- (B) The registered office and principal office of the Offeror is situated at 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.
- (C) The registered office of Wide Smart is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and its correspondence address in Hong Kong is 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.
- (D) The directors of Wide Smart are Mr. Yu Xubo, Mr. Luo Jiamang and Mr. Song Liang.
- (E) The directors of the Offeror are Mr. Lv Jun, Mr. Yu Xubo, Mr. Luo Jiamang and Mr. Song Liang.
- (F) The directors of the Offeror Parent are Mr. Lv Jun, Mr. Yu Xubo, Mr. Gao Xiang, Mr. Jin Danyang, Mr. Ouyang Qian and Mr. Luo Dongjiang.
- (G) Both the Offeror and Offeror Parent are ultimately beneficially owned by State-owned Assets Supervision and Administration Commission of the PRC.
- (H) CICC is the financial adviser to the Offeror in relation to the Proposal, and its registered address is at 29th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- (I) The registered office of the Company is situated at 31st Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) on the website of the SFC (www.sfc.hk); (ii) on the website of the Company (www.chinaagri.com); and (iii) (during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and gazetted public holidays in Hong Kong)) (Hong Kong time) at the registered office of the Company at 31st Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, from the date of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn:

- (A) the articles of association of the Company;
- (B) the articles of association of the Offeror;
- (C) the annual reports of the Company for each of the years ended 31 December 2017 and 31 December 2018;
- (D) the interim report of the Company for the six months ended 30 June 2019;
- (E) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (F) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;
- (G) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;
- (H) service contracts referred to in the section headed “7. Service Contracts” in this Appendix II to this Scheme Document;
- (I) material contracts referred to in the section headed “8. Material Contracts” in this Appendix II to this Scheme Document;
- (J) written consents referred to in the section headed “9. Experts and Consents” in this Appendix II to this Scheme Document;
- (K) the letter, summary of valuations and valuation report from Savills Valuation and Professional Services Limited, the text of which is set out in Appendix VI of this Scheme Document; and
- (L) this Scheme Document.

HCMP No. 128 of 2020

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 128 OF 2020**

**IN THE MATTER OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
中國糧油控股有限公司**

AND

**IN THE MATTER OF
THE COMPANIES ORDINANCE,
CHAPTER 622 OF THE LAWS OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION**

**SCHEME OF ARRANGEMENT
Under Section 673 of the Companies Ordinance
Chapter 622 of the Laws of the Hong Kong Special Administrative Region**

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code and “concert party” shall be construed accordingly
“Board”	the board of directors of the Company
“Cancellation Price”	the cancellation price of HK\$4.25 per Scheme Share payable in cash
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in relation to the Proposal

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	China Agri-Industries Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 606)
“Conditions”	the conditions to the implementation of the Proposal and the Scheme as set out in the section headed “4. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Statement of the Scheme Document
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the High Court at 10:00 a.m. on Friday, 6 March 2020 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui Kowloon, Hong Kong, at which the Scheme (with or without modification) will be voted upon, notice of which is set out in Appendix IV to the Scheme Document, or any adjournment thereof
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“Explanatory Statement”	the explanatory statement set out in Part VII of the Scheme Document
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Lam Wai Hon, Ambrose, Mr. Patrick Vincent Vizzzone and Mr. Ong Teck Chye

“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in connection with the Proposal
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror, the Offeror Concert Parties and any member of the CICC group acting in the capacity of an exempt principal trader (other than those held as a result of agency trades on behalf of non-discretionary clients) for the purpose of the Takeovers Code. For the avoidance of doubt, Independent Shareholders include any member of the CICC group acting in the capacity of an exempt principal trader (held as a result of agency trades on behalf of non-discretionary clients) and an exempt fund manager for the purpose of the Takeovers Code
“Jumbo Profit”	Jumbo Profit International Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are held under a declaration of trust in favour of Offeror Parent
“Latest Practicable Date”	11 February 2020, being the latest practicable date for ascertaining certain information contained in the Scheme Document
“Long Stop Date”	Wednesday, 30 September 2020 (or such later date as the Offeror may determine or, to the extent applicable, as the High Court may direct and in all cases, as permitted by the Executive)
“Offeror”	COFCO (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Offeror Concert Party(ies)”	party(ies) acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code (except in the capacity of an exempt principal trader or exempt fund manager for the purpose of the Takeovers Code)
“Offeror Parent”	COFCO Corporation, a state-owned enterprise registered in the PRC

“Option Offer”	the offer to be made by or on behalf of the Offeror to the holders of the Optionholders
“Optionholder(s)”	holder(s) of outstanding Share Options
“PRC”	the People’s Republic of China (for the purpose of this Scheme, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the Option Offer, and for the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions set out in the Scheme Document
“Registrar of Companies”	the Registrar of Companies appointed under the Companies Ordinance
“Scheme”	this scheme of arrangement under Section 673 of the Companies Ordinance in its present form (subject to any modifications, additions or conditions as may be approved or imposed by the High Court and agreed to by the Offeror)
“Scheme Document”	the composite scheme document dated 14 February 2020 issued jointly by the Company and the Offeror, including each of the letters, statements, appendices (including this Scheme) and notices in it
“Scheme Record Date”	Tuesday, 17 March 2020, or such other time and date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date held by Shareholders, other than those directly or indirectly held or controlled by the Offeror or the Offeror Parent
“Scheme Shareholder(s)”	the registered holder(s) of Scheme Shares
“Securities and Futures Commission”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 12 January 2007 as amended from time to time
“Share Options”	the share option(s) granted under the Share Option Scheme from time to time
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong
“Wide Smart”	Wide Smart Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Offeror

- (B) As at the Latest Practicable Date, there were 5,260,699,388 Shares in issue.
- (C) As at the Latest Practicable Date, the Offeror directly held 468,986,827 Shares (representing approximately 8.91% of the issued Shares).
- (D) As at the Latest Practicable Date, Wide Smart (being a wholly-owned subsidiary of the Offeror and an Offeror Concert Party) directly held 2,681,315,430 Shares (representing approximately 50.97% of the issued Shares).
- (E) As at the Latest Practicable Date, Jumbo Profit (the shares of which are held under a declaration of trust in favour of Offeror Parent and being an Offeror Concert Party) directly held 45,500,000 Shares (representing approximately 0.86% of the issued Shares).
- (F) As at the Latest Practicable Date, a close relative of Mr. Yu Xubo (a director of the Offeror), being an Offeror Concert Party, directly held 235,364 Shares (representing approximately 0.0045% of the issued Shares).
- (G) As at the Latest Practicable Date, Mr. Song Liang (being a director of the Offeror and an Offeror Concert Party), directly held 10,800 Shares (representing approximately 0.00021% of the issued Shares).
- (H) As at the Latest Practicable Date, the Scheme Shares, comprising 2,064,897,131 Shares, represented approximately 39.25% of the issued Shares.

- (I) The primary purpose of this Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration of the Cancellation Price so that the Company shall thereafter become wholly owned by the Offeror. Upon such reduction, the share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished.
- (J) The Offeror has agreed to undertake to the High Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to this Scheme.

THE SCHEME**PART I****CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES****1. On the Effective Date:**

- (a) the share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares;
- (b) subject to and forthwith upon such reduction of capital taking effect, the share capital of the Company shall be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished; and
- (c) the Company shall apply the credit arising in its books of account as a result of the reduction of capital referred to in paragraph (a) above in paying up in full the new Shares so issued pursuant to paragraph (b) above, which shall be allotted and issued, credited as fully paid, to the Offeror.

PART II**CONSIDERATION FOR CANCELLATION AND
EXTINGUISHMENT OF THE SCHEME SHARES**

- 2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Offeror shall pay or cause to be paid to each Scheme Shareholder the Cancellation Price.**

PART III**GENERAL**

- 3. (a)** As soon as possible and but in any event within seven business days (as defined in the Takeovers Code) following the Effective Date, the Offeror shall post or cause to be posted to the Scheme Shareholders cheques in respect of the sums payable to such Scheme Shareholders pursuant to paragraph 2 of this Scheme.
- (b) All such cheques shall be sent by ordinary post in postage pre-paid envelopes addressed to such Scheme Shareholders at their respective registered addresses as appearing in the register of members of the Company as at the Scheme Record Date, or in the case of joint holders, at the address appearing in the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding.

- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of this Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the moneys represented thereby.
- (d) All such cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, CICC, the Independent Financial Adviser and the share registrar of the Company and their respective nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be liable for any loss or delay in despatch.
- (e) On or after the day being six calendar months after the posting of the cheques pursuant to paragraph 3(b) of this Scheme, the Offeror (or its nominee) shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee). The Offeror (or its nominee) shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of this Scheme to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror (or its nominee) shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Scheme. The Offeror (or its nominee) shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror (or its nominee) to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six years from the Effective Date, the Offeror (and, if applicable, its nominee) shall be released from any further obligation to make any payments under this Scheme and the Offeror (and, if applicable, its nominee) shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of this Scheme, including accrued interest subject to any deduction required by law and expenses incurred.
- (g) The preceding sub-paragraphs of this paragraph 3 shall take effect subject to any prohibition or condition imposed by law.

4. As from and including the Effective Date:
 - (a) all certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
 - (b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
 - (c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. Subject to the Conditions having been fulfilled or waived, as applicable, this Scheme shall become effective as soon as an office copy of the order of the High Court sanctioning this Scheme (with or without modification) and confirming the reduction of issued share capital of the Company resulting from the cancellation of the Scheme Shares together with a minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance shall have been registered by the Registrar of Companies under Part 2 of the Companies Ordinance.
6. Unless this Scheme shall have become effective on or before the Long Stop Date, this Scheme shall lapse.
7. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to this Scheme or to any condition which the High Court may see fit to approve or impose.
8. (i) All expenses incurred by the Company in connection with the Proposal shall be borne by the Offeror if the Scheme is not approved by the Scheme Shareholders at the Court Meeting; and (ii) in any other case, all costs, charges and expenses incurred by the Company (including costs, charges and expenses of the advisers and counsels appointed by the Company, such as the Independent Financial Adviser) will be borne by the Company, whereas all costs, charges and expenses incurred by the Offeror (including costs, charges and expenses of the advisers and counsels appointed by the Offeror) will be borne by the Offeror, and other costs, charges and expenses of the Scheme and the Proposal will, unless otherwise agreed between the Offeror and the Company, be shared between the Offeror and the Company equally.

14 February 2020

HCMP 128/2020

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 128 OF 2020**

**IN THE MATTER OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
中國糧油控股有限公司**

AND

**IN THE MATTER OF
THE COMPANIES ORDINANCE,
CHAPTER 622 OF THE LAWS OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION**

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order dated the 6th day of February 2020 (the “**Order**”) made in the above matters, the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) has directed a meeting (the “**Meeting**”) to be convened of the registered holders of the shares (“**Shares**”) in the capital of China Agri-Industries Holdings Limited (the “**Company**”), other than those directly or indirectly held or controlled by COFCO (Hong Kong) Limited (the “**Offeror**”) or COFCO Corporation (the “**Scheme Shares**”), for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement (the “**Scheme**”) proposed to be made between the Company and the holders of the Scheme Shares as at Scheme Record Date (as defined in the Scheme), and that such Meeting will be held at 10:00 a.m. on Friday, 6 March 2020 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong at which place and time all holders of Scheme Shares are requested to attend.

A copy of the Scheme and a copy of the explanatory statement (the “**Explanatory Statement**”) explaining the effect of the Scheme, required to be furnished pursuant to Section 671 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), are incorporated in the scheme document of which this Notice forms part (the “**Scheme Document**”), which has been despatched by post to holders of the Scheme Shares. A copy of the Scheme Document can also be obtained by any person entitled to attend the Meeting during usual business hours on any day prior to the day appointed for the said meeting (other than a Saturday, a Sunday or a public holiday in Hong Kong) (a) from the share registrar of the Company, Tricor Progressive Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong and (b) at the office of the Company’s solicitors at 17th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry

Bay, Hong Kong. The Scheme Document is also available on the Company's website (www.chinaagri.com).

In compliance with the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Shares held by the Offeror, parties acting in concert (as defined in the Takeovers Code) with the Offeror and members of the CICC group acting in the capacity of an exempt principal trader for the purpose of the Takeovers Code may not be voted at the Meeting. Only Shares held by other holders of Scheme Shares are eligible for voting thereat.

The above-mentioned holders of Scheme Shares may vote in person at the Meeting or they may appoint one or more persons, whether a member of the Company or not, as their proxy to attend and vote in their stead. A pink form of proxy for use at the Meeting is enclosed with the Scheme Document.

In the case of joint holders of a Share, the vote of the most senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the Share.

It is requested that forms appointing proxies, together with the letter or power of attorney or other authority (if any) under which they are signed or a notarially certified copy thereof (in the case of a corporation either under its common seal or under the hand of an attorney or a duly authorised officer on its behalf and to the satisfaction of the directors of the Company), be lodged at the Company's share registrar as stated above no later than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Meeting or any adjournment thereof. In the event that an eligible Scheme Shareholder attends and votes at the Meeting or any adjournment thereof after having lodged his form of proxy, his form of proxy shall be deemed to be revoked by operation of law.

For the purpose of determining the entitlements of holders of Scheme Shares to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 2 March 2020 to Friday, 6 March 2020, both days inclusive, and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar as stated above before 4:30 p.m. (Hong Kong time) on Friday, 28 February 2020.

By the same order, the High Court has appointed Mr. LAM Wai Hon, Ambrose, or failing him, Mr. Patrick Vincent VIZZONE, or failing him, Mr. ONG Teck Chye, or failing him, any other available director of the Company to act as chairman of the Meeting and has directed the chairman of the Meeting to report the result thereof to the High Court.

The Scheme will be subject to the subsequent sanction of the High Court as set out in the Explanatory Statement contained in the Scheme Document.

Dated the 14th day of February 2020.

Reed Smith Richards Butler

Solicitors for the Company

17th Floor

One Island East

Taikoo Place

18 Westlands Road

Quarry Bay

Hong Kong

As at the date of this notice, the board of directors of the Company comprises: Mr. LUAN Richeng as chairman of the Board and non-executive Director; Mr. WANG Zhen, Mr. XU Guanghong and Ms. HUA Jian as executive Directors; Mr. JIA Peng and Mr. MENG Qingguo as non-executive Directors; and Mr. LAM Wai Hon, Ambrose, Mr. Patrick Vincent VIZZONE and Mr. ONG Teck Chye as independent non-executive Directors.



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)

NOTICE IS HEREBY GIVEN that a general meeting (the “**General Meeting**”) of China Agri-Industries Holdings Limited (the “**Company**”) will be held at 10:30 a.m. (or, if later, immediately after the conclusion or adjournment of the meeting of the holders of the shares of China Agri-Industries Holdings Limited (“**Shares**”), other than those directly or indirectly held or controlled by COFCO (Hong Kong) Limited (the “**Offeror**”) or COFCO Corporation) (the “**Scheme Shares**”), convened at the direction of the High Court of the Hong Kong Special Administrative Region for the same day and place) on Friday, 6 March 2020 at Crystal Ballroom, Level B3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing, the following as a special resolution:

SPECIAL RESOLUTION

“THAT:

- (A) subject to the approval of the Scheme at the Court Meeting, the proposed scheme of arrangement dated 14 February 2020 (the “**Scheme**”) between the Company and the holders of the Scheme Shares as at the Scheme Record Date (as defined in the Scheme), in the form of the print contained in the scheme document dated 14 February 2020 (the “**Scheme Document**”) which has been produced to this General Meeting and for the purpose of identification signed by the chairman of this General Meeting, with any modification of or addition to it, or any condition, as may be approved or imposed by the High Court, be and is hereby approved;
- (B) subject to the approval of the Scheme between the Company and the holders of the Scheme Shares in the form of the print contained in the scheme document dated 14 February 2020 which has been produced to this General Meeting and for the purpose of identification signed by the chairman of this General Meeting, with any modification of or addition to it, or any condition, as may be approved or imposed by the High Court, for the purpose of giving effect to the Scheme, on the date on which the Scheme becomes effective in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Effective Date**”):
 - (i) the share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares;

- (ii) subject to and forthwith upon such reduction of capital taking effect, the issued share capital of the Company be increased to its former amount by the creation of the same number of new Shares as the number of Scheme Shares cancelled; and
 - (iii) the Company shall apply the credit arising in its books of account as a result of the said reduction of capital in paying up in full the new Shares so issued, which new Shares shall be allotted and issued, credited as fully paid, to the Offeror and the directors of the Company be and are hereby unconditionally authorised to allot and issue the same accordingly;
- (C) any one of the directors of the Company be and is hereby unconditionally authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) (i) the making of an application to the Stock Exchange for the withdrawal of the listing of Shares on The Stock Exchange of Hong Kong Limited, subject to the Scheme taking effect; (ii) the reduction of capital; (iii) the allotment and issue of the Shares referred to above; and (iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the High Court may see fit to impose and to do all other acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme.”

By order of the board
China Agri-Industries Holdings Limited
LUAN Richeng
Chairman

Hong Kong, 14 February 2020

As at the date of this notice, the board of directors of the Company comprises: Mr. LUAN Richeng as chairman of the Board and non-executive Director; Mr. WANG Zhen, Mr. XU Guanghong and Ms. HUA Jian as executive Directors; Mr. JIA Peng and Mr. MENG Qingguo as non-executive Directors; and Mr. LAM Wai Hon, Ambrose, Mr. Patrick Vincent VIZZONE and Mr. ONG Teck Chye as independent non-executive Directors.

Notes:

- (i) Unless otherwise defined in this notice or the context otherwise requires, terms defined in the Scheme Document shall have the same meanings when used in this notice.
- (ii) At the General Meeting, the chairman of the General Meeting will put forward the above resolution to be voted on by way of poll.
- (iii) A white form of proxy for use at the General Meeting is enclosed with the Scheme Document.

- (iv) A member entitled to attend and vote at the General Meeting is entitled to appoint one or more persons, whether a member of the Company or not, as his proxy to attend, speak and vote instead of him/her. If more than one proxy is appointed, the number of Shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy.
- (v) In order to be valid, the white form of proxy, together with the letter or power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof (in the case of a corporation, either under its common seal or under the hand of an attorney or a duly authorised officer on its behalf and to the satisfaction of the directors of the Company), must be lodged at the Company's share registrar, Tricor Progressive Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof. Completion and return of the white form of proxy will not preclude a member from attending and voting in person at the General Meeting or any adjournment thereof. In the event that a member attends and votes at the General Meeting after having lodged his form of proxy, his form of proxy shall be deemed to be revoked by operation of law.
- (vi) In the case of joint holders of a Share, the vote of the most senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the Share.
- (vii) For the purpose of determining the entitlements of Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Monday, 2 March 2020 to Friday, 6 March 2020, both days inclusive, and during such period, no transfer of Shares will be effected. In order to qualify to attend and vote at the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Progressive Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. (Hong Kong time) on Friday, 28 February 2020.
- (viii) If a tropical cyclone warning signal No.8 or above is or is expected to be hoisted, the Government of Hong Kong has issued or is expected to issue an announcement on "extreme conditions" caused by super typhoons or a black rainstorm warning signal is or is expected to be in force at any time after 7:00 a.m. on the date of the General Meeting, the General Meeting will be postponed. The Company will post an announcement on the respective websites of the Hong Kong Exchanges and Clearing Limited and the Company to notify members of the date, time and venue of the rescheduled meeting.

In case of any inconsistency, the English version of this notice shall prevail.

The following is the text of a letter and summary of values prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their opinion of values of the property interests of the Group as at 30 November 2019.



Savills Valuation and
Professional Services Limited
1208, Cityplaza One
1111 King's Road, Taikoo Shing
Hong Kong

T: (852) 2801 6100

F: (852) 2530 0756

EA LICENCE: C-023750

savills.com

The Directors

China Agri-Industries Holdings Limited
31/F, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

14 February 2020

Dear Sirs,

In accordance with your instructions for us to value the properties situated in the People's Republic of China (the "PRC") in which China Agri-Industries Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the properties as at 30 November 2019 (the "valuation date") for incorporation in a circular.

BASIS OF VALUATION

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Moreover, market value is understood as the value of an asset or liability estimated without regard to costs of sale and purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been undertaken in accordance with the HKIS Valuation Standards 2017 of The Hong Kong Institute of Surveyors (“HKIS”), which incorporates the International Valuation Standards (“IVS”), and (where applicable) the relevant HKIS or jurisdictional supplement. We have also complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rule 11 of the Code on Takeovers and Mergers published by the Securities and Futures Commission in Hong Kong (the “Takeovers Code”).

IDENTIFICATION AND STATUS OF THE VALUER

The subject valuation exercise is handled by Mr. Anthony C.K. Lau, who is the Director of Savills Valuation and Professional Services Limited (“SVPSL”) and a Member of HKIS with over 26 years’ experience in valuation of properties in Hong Kong and the PRC and has sufficient knowledge of the relevant market, the skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation service in respect of the properties, SVPSL and Mr. Anthony C.K. Lau had not been involved in valuation of the properties in the last 12 months.

We are independent of China Agri-Industries Holdings Limited and its subsidiaries. We are not aware of any instance which would give rise to potential conflict of interest from SVPSL or Mr. Anthony C.K. Lau in the subject exercise. We confirm SVPSL and Mr. Anthony C.K. Lau are in the position to provide objective and unbiased valuation for the properties.

PROPERTY CATEGORISATION AND VALUATION METHODOLOGY

In valuing the industrial properties in Group I and II, which are held by the Group for owner occupation and for sale in the PRC, due to the nature of the buildings and structures that were constructed, there are no readily identifiable market comparable, and the buildings and structures cannot be valued on the basis of direct comparison. Therefore, we have adopted the Depreciated Replacement Cost (“DRC”) Approach to value the properties. DRC Approach is based on an estimate of the market value for the existing use of the land plus the current replacement costs of the buildings and structures, from which deductions are then made to allow for physical deterioration and all relevant forms of obsolescence and optimization. The DRC Approach is subject to adequate potential profitability of the concerned business. Our valuation applies to the whole of the complex or development as a unique interest and no piecemeal transaction of the complex or development is assessed.

In valuing the residential properties in properties nos. 5, 9, 10, 15–17, 19, 29 and 31–34 in Group I and property no. 77 in Group II, we have valued them by the Direct Comparison

Approach by making reference to sales of comparable properties assuming sales on vacant possession basis.

In valuing the properties in Group III, which are held by the Group under development in the PRC, we have valued such properties on the basis that they will be developed and completed in accordance with the Group's latest development proposal provided to us and by the DRC approach with regard to its prevailing cost level and status of construction as at the date of valuation. We have also assumed that all consents, approvals and licences from the relevant government authorities for the development have been granted without any onerous conditions or undue delay.

TITLE INVESTIGATION

We have been provided with copies of extracts of the title documents relating to the properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we have relied to a considerable extent on the information given by the Group and the legal opinion issued by the PRC's legal adviser to the Group on 10 February 2020, Commerce & Finance Law Offices, regarding the titles to the properties in the PRC.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a considerable extent on information given by the Group and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particular of occupancy, development proposals, total and outstanding construction costs, estimated completion dates, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation report are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We are also advised by the Group that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

VALUATION ASSUMPTIONS

In valuing the properties in the PRC, unless otherwise stated, we have assumed that transferable land use rights in respect of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable have already been fully paid. Unless otherwise stated, we have also assumed that the owners of the properties have good legal titles and have free and uninterrupted rights to occupy, use, transfer, lease or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

SITE INSPECTION

We have inspected the exterior and where possible, the interior of the properties. Site inspections of the properties were carried out during December 2019 by our Mr. Gang Zhang (MRICS), Ms. Yimeng Zhang (Valuer), Mr. Qidong Yang (Valuer), Mr. Hugh Cheng (Valuer) and associates. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report that the properties are free from rot, infestation or any other structural defect. No test has been carried out to any of the services. We have also not carried out investigations on site to determine the suitability of the ground conditions and the services for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

POTENTIAL TAX LIABILITIES

For the purpose of compliance with the Rule 11.3 of the Takeovers Code and as advised by the Group, the potential tax liabilities which would arise from the sale of the properties in the PRC comprise value-added tax at 5% or 9% and the surcharge taxes are 10% or 12% of the value-added tax paid on the transaction amount and stamp duty at 0.05% on the transaction amount; land appreciation tax at progressive rates from 30% to 60% on the appreciation in property value; and corporate income tax at 15% or 25% on gain.

In respect of properties nos. 74 and 77, which are held for sale, it is likely that the relevant tax liabilities will be crystallised upon sale. As advised by the Group, the total potential tax liability which might be incurred is estimated to be approximately RMB7,350,000 if such properties were sold. In respect of other properties held by the Group, the likelihood of the relevant potential tax liabilities being crystallised is remote as the Group has no plans for sale of such properties.

CURRENCY

Unless otherwise stated, all money amounts stated are in Renminbi (“RMB”).

We enclose herewith our summary of values and valuation report.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Anthony C.K. Lau
MRICS MHKIS RPS(GP)
Director

Note: Mr. Anthony C.K. Lau is a professional surveyor who has over 26 years’ experience in valuation of properties in Hong Kong and the PRC

SUMMARY OF VALUES

Group I: Properties held by the Group for owner occupation in the PRC

Group II: Properties held by the Group for sale in the PRC

Group III: Properties held by the Group under development in the PRC

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
1.	An industrial complex located at No. 510 Binhai New District, Lingang Economical Zone Bohai 40th Road, Tianjin, PRC	RMB894,250,000	-	RMB15,230,000	RMB909,480,000	75.95%	RMB690,750,060
2.	An industrial complex located at No. 3 Binjiang Zhen North Road, Taixing City, Jiangsu Province, PRC	RMB79,290,000	-	-	RMB79,290,000	100%	RMB79,290,000
3.	An industrial complex located at Nanjing Road, Jingang Zhen Free Trade Zone, Zhangjiagang City, Suzhou City, Jiangsu Province, PRC	No commercial value	-	-	No commercial value	38.74%	No commercial value

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
4.	An industrial complex located at Nos. 1–21 Xigongyuan Road, Wulumuqi Xi Road, Shawan County, Xinjiang Uygur Autonomous Region, PRC	RMB43,440,000	–	–	RMB43,440,000	38.65%	RMB16,789,560
5.	Unit E on 22/F & Unit F on 23/F, Block 1, Jutian Building, No. 13 Heping Bei Road, Urumqi City, Xinjiang Uygur Autonomous Region, PRC	RMB1,830,000	–	–	RMB1,830,000	89.09%	RMB1,630,347
6.	An industrial complex located in Liaoyang Industrial Park and an office unit in Qoqek, Xinjiang Uygur Autonomous Region, PRC	RMB14,690,000	–	–	RMB14,690,000	89.09%	RMB13,087,321
7.	An industrial complex located in Yaou Xiandai Logistics Park, Changji City Train Station, Xinjiang Uygur Autonomous Region, PRC	RMB125,440,000	–	–	RMB125,440,000	100%	RMB125,440,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
8.	An industrial complex located at East of Tonghai Road and North of Lanshan Gang, Lanshan District, Rizhao City, Shandong Province, PRC	RMB283,830,000	-	-	RMB283,830,000	72.85%	RMB206,770,155
9.	Nos. 401 and 501, Unit 1, Block 023, Jiaoshou Garden, Rizhao City, Shandong Province, PRC	RMB3,620,000	-	-	RMB3,620,000	72.85%	RMB2,637,170
10.	Various residential units located at North of Zongyang East Road and East of Wanhui Road, Zhuyunshanzhuang, Lanshan District, Rizhao City, Shandong Province, PRC	RMB62,920,000	-	-	RMB62,920,000	72.85%	RMB45,837,220

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
11.	An industrial complex located at No.7058 Changjiang East Road, Mudan, Heze City, Shandong Province, PRC	RMB132,560,000	-	-	RMB132,560,000	70%	RMB92,792,000
12.	An industrial complex located at No. 1 Zhangbei Road, Fei County, Linyi City, Shandong Province, PRC	RMB89,320,000	-	No commercial value	RMB89,320,000	100%	RMB89,320,000
13.	An industrial complex located at No.39 Xingang Road North, Longkou City, Shandong Province, PRC	RMB90,010,000	-	-	RMB90,010,000	100%	RMB90,010,000
14.	An industrial complex located in Legou Operation Area, Qin Zhou Harbour, Qin Zhou City, Guangxi Province, PRC	RMB128,080,000	-	No commercial value	RMB128,080,000	100%	RMB128,080,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
15.	Unit 402 of No. 5 Puhui Jiu Street and Unit 205 of No. 17 Puhui Shiyi Street, Guangzhou City, Guangdong Province, PRC	RMB1,370,000	-	-	RMB1,370,000	100%	RMB1,370,000
16.	Unit 6#C401, Mingcui Yuan, Dongsheng New City, Machong Zhen, Dongguan City, Guangdong Province, PRC	RMB630,000	-	-	RMB630,000	100%	RMB630,000
17.	Units 207 and 506, Block 1, District B of Kangle Yuan, Xinkang Garden, Baijiang Village, Xintang Zhen, Guangzhou City, Guangdong Province, PRC	RMB2,150,000	-	-	RMB2,150,000	100%	RMB2,150,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
18.	An industrial complex located in Maer Village, Machong Zhen, Dongguan City, Guangdong Province, PRC	RMB118,360,000	-	-	RMB118,360,000	100%	RMB118,360,000
19.	Various residential units in Xinhongxian Garden, Dongtai Village, Machong Zhen, Dongguan City, Guangdong Province, PRC	RMB20,250,000	-	-	RMB20,250,000	100%	RMB20,250,000
20.	An industrial complex located at Haiguan Avenue West Section, Dongzhou Village, Xintang Zhen, Zengcheng, Guangzhou City, Guangdong Province, PRC	RMB37,280,000	-	-	RMB37,280,000	89.36%	RMB33,313,408

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
21.	An industrial complex located at Xinmeixiang Avenue West 150 meter, Zhongxiang, Jingmen, Hubei Province, PRC	No commercial value	-	-	No commercial value	67.94%	No commercial value
22.	An industrial complex located at No.1 Zhongliang Avenue, New & Hi-tech Industrial Development Zone, Huangzhou Industrial Park, Huanggang City, Hubei Province, PRC	RMB117,100,000	-	-	RMB117,100,000	100%	RMB117,100,000
23.	An industrial complex located in Qingji Industrial Area (Zhongliang), Yangchang Zhen, Jingzhou City, Hubei Province, PRC	RMB195,570,000	-	No commercial value	RMB195,570,000	100%	RMB195,570,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
24.	An industrial complex located in Fuxi Industrial Park, Nanfeng County, Fuzhou City, Jiangxi Province, PRC	RMB34,570,000	-	RMB3,100,000	RMB37,670,000	51%	RMB19,211,700
25.	An industrial complex located at Qishan Road, Juchao Economical Development Zone, Anhui Province, PRC	RMB241,920,000	-	-	RMB241,920,000	100%	RMB241,920,000
26.	An industrial complex located in Beigong, Longqiao Zhen, Fuling District, Chongqing, PRC	RMB45,600,000	-	-	RMB45,600,000	100%	RMB45,600,000
27.	An industrial complex located at No. 55 Zhangjiang Road, Degan Jie Dao, Jiangjin District, Chongqing, PRC	RMB118,640,000	-	-	RMB118,640,000	100%	RMB118,640,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
28.	An industrial complex located at No. 198 Haibin Luyou Road, Development Zone, Dalian City, Liaoning Province, PRC	No commercial value	-	-	No commercial value	51%	No commercial value
29.	18 residential units, Chengrun Wanjia, Economic Development Zone, Dalian City, Liaoning Province, PRC	RMB13,950,000	-	-	RMB13,950,000	51%	RMB7,114,500
30.	An industrial complex located at No. 5 Bohai 37 Road, Lingang Economic Zone, Binhai Xin District, Tianjin, PRC	RMB132,490,000	-	-	RMB132,490,000	92.31%	RMB122,301,519
31.	Various residential units located in Yangshe Zhen, Zhangjiagang City, Jiangsu Province, PRC	RMB3,810,000	-	-	RMB3,810,000	54%	RMB2,057,400

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
32.	An industrial complex located in Jingang Zhen, Zhangjiagang City, Jiangsu Province, PRC	RMB871,610,000	-	-	RMB871,610,000	54%	RMB470,669,400
33.	Various residential units located at Damuqiao Road, Taicang City, Jiangsu Province, PRC	RMB5,400,000	-	-	RMB5,400,000	54%	RMB2,916,000
34.	An industrial complex located at No. 39 Jiangang Road, Qinzhou Gang Economical Development District, Qinzhou City, Guangxi Province, PRC	RMB610,080,000	-	-	RMB610,080,000	95.32%	RMB581,528,256
35.	An industrial complex located at No. 8 Xinsha Park Road, Machong Zhen, Dongguan City, Guangdong Province, PRC	RMB378,240,000	-	RMB177,830,000	RMB556,070,000	100%	RMB556,070,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
36.	An industrial complex located at No. 95 Yanjiang Road North, Xingang Industrial Park, Jiujiang City, Jiangxi Province, PRC	RMB246,780,000	–	No commercial value	RMB246,780,000	100%	RMB246,780,000
37.	An industrial complex located in Jinshawan Industrial Park, Hukou County, Jiujiang City, Jiangxi Province, PRC	RMB65,730,000	–	No commercial value	RMB65,730,000	51%	RMB33,522,300
38.	An industrial complex located at No. 1 Xihuan Road, Zhongxiang Economical Development District, Jingmen City, Hubei Province, PRC	RMB134,340,000	–	–	RMB134,340,000	100%	RMB134,340,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
39.	An industrial complex located at Biomedical Base, 21 Yongda Road, Daxing District, Beijing, PRC	RMB40,500,000	-	-	RMB40,500,000	51%	RMB20,655,000
40.	An industrial complex located at No. 1 Zhongliang Road, Area Eight of Jiaogang Village, Funing Economical Development Zone, Funing County, Yancheng, Jiangsu Province, PRC	RMB234,640,000	-	-	RMB234,640,000	89.23%	RMB209,369,272
41.	An industrial complex located at No.1 Xiaoshan Road, Jiangyin, Wuxi, Jiangsu Province, PRC	RMB295,450,000	-	-	RMB295,450,000	100%	RMB295,450,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
42.	An industrial complex located at No. 5 Xiaoshan Road, Jiangyin, Wuxi, Jiangsu Province, PRC	RMB251,760,000	-	No commercial value	RMB251,760,000	100%	RMB251,760,000
43.	An industrial complex located at No. 8 Guotai Road, Taixing, Taizhou, Jiangsu Province, PRC	RMB23,110,000	-	-	RMB23,110,000	100%	RMB23,110,000
44.	An industrial complex located in Shi Hu Cun, Wugongtai, Hutubi County, Xinjiang Uyghur Autonomous Region, PRC	RMB47,570,000	-	-	RMB47,570,000	60%	RMB28,542,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
45.	An industrial complex located at No. 68 Yunliang Road, Decheng District, Dezhou, Shandong Province, PRC	RMB28,210,000	–	–	RMB28,210,000	95%	RMB26,799,500
46.	An industrial complex located at Wamiao Road, Yanmenkou, Jingshan, Jingmen, Hubei Province, PRC	RMB8,310,000	–	No commercial value	RMB8,310,000	45.47%	RMB3,778,557
47.	An industrial complex located at the junction between 316 National Road and 320 National Road, Jinxian County, Nanchang, Jiangxi Province, PRC	RMB127,540,000	–	No commercial value	RMB127,540,000	83.47%	RMB106,457,638

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
48.	An industrial complex located at No. 1 Gangkou Road, Juchao Economical Development Zone, Chaohu, Anhui Province, PRC	RMB147,500,000	-	-	RMB147,500,000	89.06%	RMB131,363,500
49.	An industrial complex located at No. 688 Second Jun West Road, Lucheng, Lujiang County, Hefei, Anhui Province, PRC	RMB69,810,000	-	-	RMB69,810,000	100%	RMB69,810,000
50.	An industrial complex located in Qili Village, Shengqiao, Lujiang County, Hefei, Anhui Province, PRC	RMB15,590,000	-	-	RMB15,590,000	100%	RMB15,590,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
51.	An industrial complex located at Shihua East Road, Hualong District, Puyang, Henan Province, PRC	RMB28,330,000	-	-	RMB28,330,000	80%	RMB22,664,000
52.	An industrial complex located at No. 2 Lijiang Road, Zhaohe District, Luohe, Henan Province, PRC	RMB29,070,000	-	-	RMB29,070,000	100%	RMB29,070,000
53.	An industrial complex located at No. 263 Cheng East Road, Guancheng Hui People's District, Zhengzhou, Henan Province, PRC	No commercial value	-	-	No commercial value	55%	No commercial value

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
54.	An industrial complex located at No. 1746 Hanghai East Road, Economical Development Zone, Guancheng Hui People's District, Zhengzhou, Henan Province, PRC	RMB309,010,000	-	-	RMB309,010,000	100%	RMB309,010,000
55.	Various buildings, structures and parcels of land located at No. 6 Haiyang Road, Baoshui Zone, Jinzhou District, Dalian, Liaoning Province, PRC	RMB149,040,000	-	-	RMB149,040,000	100%	RMB149,040,000
56.	An industrial complex located at No. 69 Liuhe Street, Sujiatun District, Shenyang Liaoning Province, PRC	RMB163,600,000	-	No commercial value	RMB163,600,000	87.73%	RMB143,526,280

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
57.	An industrial complex located at No. 9 Xing Middle Road, Pulandian, Dalian, Liaoning Province, PRC	RMB185,740,000	-	-	RMB185,740,000	100%	RMB185,740,000
58.	An industrial complex located at No. 158 Huishan Road, Shenbei New District, Shenyang, Liaoning Province, PRC	RMB127,640,000	-	-	RMB127,640,000	68.71%	RMB87,701,444
59.	An industrial complex located in Shipin Industrial Zone, Baoshan Road, Baoshan, Beilin District, Suihua, Heilongjiang Province, PRC	RMB196,390,000	-	RMB7,700,000	RMB204,090,000	100%	RMB204,090,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
60.	An industrial complex located in Xijiao Village, Wuchang, Harbin, Heilongjiang Province, PRC	RMB110,930,000	-	RMB67,730,000	RMB178,660,000	100%	RMB178,660,000
61.	An industrial complex located in Baodong Town, Hulin, Jixi, Heilongjiang Province, PRC	RMB140,850,000	-	-	RMB140,850,000	100%	RMB140,850,000
62.	An industrial complex located in Chuangye Farmland, Fujin, Jiamushi, Heilongjiang Province, PRC	RMB196,370,000	-	-	RMB196,370,000	81.55%	RMB160,139,735

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
63.	An industrial complex located at Jigu Road, Jilin Economic Development Zone, Jilin, Jilin Province, PRC	RMB240,480,000	-	-	RMB240,480,000	100%	RMB240,480,000
64.	An industrial complex located at No. 2570 Panshi Avenue, Panshi, Jilin, Jilin Province, PRC	No commercial value	-	-	No commercial value	82.21%	No commercial value
65.	An industrial complex located at east of Huha Road, Xincheng District, Hohhot, Inner Mongolia Autonomous Region, PRC	No commercial value	-	No commercial value	No commercial value	70%	No commercial value

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
66.	An industrial complex located at east of Zhongyang Avenue, Pingluo County, Shujushan, Ningxia Hui Autonomous Region, PRC	RMB81,660,000	-	-	RMB81,660,000	100%	RMB81,660,000
67.	An industrial complex located at the junction between Gongye Avenue and Jincheng Road, Chengguan Town Industrial Park, Chengguan Town, Yueyang County, Yueyang, Hunan Province, PRC	RMB168,080,000	-	-	RMB168,080,000	100%	RMB168,080,000
68.	An industrial complex located at No. 3 Pengtai Road, Qinhuangdao Economic Development Zone, Qinhuangdao, Hebei Province, PRC	RMB76,050,000	-	-	RMB76,050,000	100%	RMB76,050,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
69.	An industrial complex located at Nos. 12–15 Hening Road, Huli District, Xiamen, Fujian Province, PRC	No commercial value	–	–	No commercial value	60%	No commercial value
70.	An industrial complex located at No. 33 Shidai Road, Haining Economic Development Zone, Haining, Zhejiang Province, PRC	RMB209,950,000	–	No commercial value	RMB209,950,000	94.33%	RMB198,045,835
71.	An industrial complex located at No. 2 Beihua Road, Beihuan Industrial Zone, Jinghai County, Tianjin, PRC	RMB179,710,000	–	RMB81,220,000	RMB260,930,000	60%	RMB156,558,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
72.	An industrial complex located in Hongyan Village and Qingjiang Village, Jinhua Town, Xinjin County, Chengdu, Sichuan Province, PRC	RMB478,190,000	-	No commercial value	RMB478,190,000	100%	RMB478,190,000
73.	An industrial complex located at the north of Xiantao Avenue, Xiantao, Hubei Province, PRC	RMB184,830,000	-	-	RMB184,830,000	100%	RMB184,830,000
74.	An industrial complex located at No. 23 Gongye Avenue, Hulunbuir, Inner Mongolia Autonomous Region, PRC	-	RMB58,490,000	-	RMB58,490,000	100%	RMB58,490,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
75.	An industrial complex located at south of Changfeng Road and Hetao Avenue, North of Xinhua Street, Linhe District, Bayannaoer, Inner Mongolia Autonomous Region, PRC	-	-	RMB110,110,000	RMB110,110,000	100%	RMB110,110,000
76.	An industrial complex located at No. 979 Haihe Middle Road, Binhai New Area, Tianjin, PRC	-	-	RMB249,030,000	RMB249,030,000	60%	RMB149,418,000
77.	Units 304 and 1305 of Building No. 1 of Yujinyuan, No. 32 Beiwa Road, Haidian District, Beijing, PRC	-	RMB13,660,000	-	RMB13,660,000	100%	RMB13,660,000

No.	Property	Market value in existing state as at 30 November 2019 (RMB) Group I	Market value in existing state as at 30 November 2019 (RMB) Group II	Market value in existing state as at 30 November 2019 (RMB) Group III	Market value in existing state as at 30 November 2019 (RMB)	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019 (RMB)
78.	Various carparking spaces of Building No. 13, Yingqiu Lane, Haigang District, Qinhuangdao, Hebei Province, PRC	No commercial value	-	-	No commercial value	100%	No commercial value
79.	A parcel of land located in Zhangpeng Cun, Machong Zhen, Dongguan City, Guangdong Province, PRC	-	-	No commercial value	No commercial value	75.26%	No commercial value
80.	A constriction project located at north of Lanshan Gang Rizhao City, Shandong Province, PRC	-	-	No commercial value	No commercial value	72.85%	No commercial value
	Total				RMB10,675,160,000		RMB9,362,597,077

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
1.	An industrial complex located at No. 510 Binhai New District, Lingang Economical Zone, Bohai 40th Road, Tianjin, PRC	<p>Portion of the property comprises various buildings with a total gross floor area of approximately 84,236.40 sq. m. and some ancillary structures completed during the period of 2011–2015 and erected upon two parcels of land with total site area of approximately 300,296.70 sq. m.</p> <p>The property is located in Binhai Economical Zone of Tianjin. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The remaining portion of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a warehouse with a planned gross floor area of approximately 5,054.14 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 24 August 2059.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB909,480,000</p> <p>(75.95% interests attributable to the Group: RMB690,750,060)</p>

Notes:

- Pursuant two Building Ownership Certificates, the land use rights and building ownership of the property are vested in COFCO Excel Joy (Tianjin) Co., Ltd. (中糧佳悅(天津)有限公司) (“Jiayue Tianjin”), which is a 75.95% owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Gross Floor Area (sq. m.)	Use	Land Use Term Expiry Date
Jin Zi (2017) Binhai Xin Qu Lin Gang Jin Ji Qu Bu Dong Chan Quan Di 1000041	202,436.80	81,704.08	Industrial	24 August 2059
Jin Zi (2017) Binhai Xin Qu Lin Gang Jin Ji Qu Bu Dong Chan Quan Di 1000341	97,859.90	2,532.32	Warehousing	24 August 2059
		84,236.40		

- Pursuant to the Construction Land Planning Permit – No. Jin Zi (2017) Binhai Xin Qu Lin Gang Jin Ji Qu 1000041, the planning permission of a parcel of land with a site area of approximately 5,054.14 sq. m. have been granted to Jiayue Tianjin.
- Pursuant to the Construction Works Planning Permit – No. 2018 Bao Shui Jian Zheng 5004, gross floor area of approximately 5,054.14 sq. m. has been approved for construction.
- Pursuant to the Construction Works Commencement Permit – No. 121120201901250111, the construction works of the property with a construction scale of approximately 5,054.14 sq. m. have been approved for commencement.
- As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB10,388,600, of which approximately RMB6,390,000 had been paid up to the valuation date.
- The market value of the CIP of the property as if completed as at the valuation date is estimated to be RMB19,180,000 (equivalent to RMB14,567,210, 75.95% interests attributable to the Group).
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. Jiayue Tianjin is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the structures of the property is clear and complete and Jiayue Tianjin can dispose the structures together with the property; and
 - all the relevant formalities have been passed for the CIP of the property completely and there are no legal impediments for Jiayue Tianjin to carry out construction.

8. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

Group	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group I – held by the Group for owner occupation	RMB894,250,000	75.95%	RMB679,182,875
Group III – held by the Group under development	RMB15,230,000	75.95%	RMB11,567,185
	<hr/>		<hr/>
	RMB909,480,000		RMB690,750,060
	<hr/>		<hr/>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
2.	An industrial complex located at No.3, Binjiang Zhen North Road, Taixing City, Jiangsu Province, PRC	<p>The property comprise various buildings with a total gross floor area of approximately 15,239.36 sq. m. and some ancillary structures completed in 2004 and erected upon a parcel of land with a site area of approximately 131,930.67 sq. m.</p> <p>The property is located in Binjiang Zhen of Taixing City. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The land use rights of the property have been granted for a term expiring on 4 September 2052.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	RMB79,290,000 (100% interests attributable to the Group: RMB79,290,000)

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Tai Guo Yong (2005) Di 443332 dated 10 April 2002, the land use rights of a parcel of land with a site area of approximately 131,930.67 sq. m. have been granted to Ming Fat International Oil & Fat Chemical (Taixing) Co., Ltd. (明發國際油脂化工(泰興)有限公司) (“Mingfat International”), which is a wholly-owned subsidiary of the Company, for a term expiring on 4 September 2052 for industrial use.
- Pursuant to the Building Ownership Certificate – No. Tai Fang Quan Zheng Bing Jiang Zi Di 443332, the building ownership of the property with a total gross floor area of approximately 15,239.36 sq. m. is vested in Mingfat International for industrial use.
- Pursuant to the Building Ownership Certificate, total gross floor area of the property is 20,614.07 sq. m. However, portion of the property has been demolished as at the valuation date. The remaining property with a gross floor area of 15,239.36 sq. m. has been taken into account in our valuation.
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. Mingfat International is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Mingfat International is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete and Mingfat International can dispose the structures together with the property.
- For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
3.	An industrial complex located at Nanjing Road, Jingang Zhen Free Trade Zone, Zhangjiagang, Suzhou, Jiangsu Province, PRC	<p>The property comprises various buildings and some ancillary structures completed in 2011.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, the buildings of the property with a total gross floor area of approximately 27,752.65 sq. m. and some ancillary structures were constructed without obtaining relevant construction permits and title documents.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	No commercial value (See Note 2)

Notes:

- The land use rights and building ownership rights have not been granted to Zhangjiagang COFCO Eastocean Storage Co., Ltd. (張家港中糧東海倉儲有限公司) ("COFCO Eastocean Storage"), which is a 38.74% owned subsidiary of the Company.
- In the course of our valuation, we have assigned no commercial value to the buildings and structures with a total gross floor area of approximately 27,752.65 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB97,734,000 as at the valuation date (equivalent to RMB37,862,152, 38.74% interests attributable to the Group).
- We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - COFCO Eastocean Storage has not obtained the relevant State-owned Land Use Rights Certificate and building ownership certificate for some of the buildings with a gross floor area of approximately 27,752.65 sq. m.
- For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
4.	An industrial complex located at Nos. 1–21 Xigongyuan Road, Wulumuqi Xi Road, Shawan County, Xingjiang Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 14,452.65 sq. m. and some ancillary structures completed during the period of 1987–1995 and erected upon a parcel of land with a site area of approximately 118,718.91 sq. m.</p> <p>The property is located Shawan County of Xingjiang. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 252.96 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 30 June 2054.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB43,440,000</p> <p>(38.65% interests attributable to the Group: RMB16,789,560)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Sha Guo Yong (2006) Di 000003759 dated 30 June 2004, the land use rights of a parcel of land with a site area of approximately 118,718.91 sq. m. have been granted to COFCO Aerocean Oils & Grains Industrial (Shawan) Co., Ltd. (中糧天海糧油工業(沙灣)有限公司 (“COFCO Aerocean Oils”), which is a 38.65% owned subsidiary of the Company, for a term expiring on 30 June 2054 for industrial use.
- Pursuant to the various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 14,452.65 sq. m. is vested in COFCO Aerocean Oils for industrial use. Details of the said certificates are as follows:

	Certificate No.	Gross floor Area (sq. m.)	Use	Land Use Rights Term
1	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000144 Hao	796.62	Industrial/other	2004-06-30 to 2054-06-30
2	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000145 Hao	1,916.31	Industrial/other	2004-06-30 to 2054-06-30
3	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000146 Hao	700.89	Industrial/other	2004-06-30 to 2054-06-30
4	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000147 Hao	1,041.35	Industrial/other	2004-06-30 to 2054-06-30

	Certificate No.	Gross floor Area (sq. m.)	Use	Land Use Rights Term
5	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000148 Hao	411.70	Industrial/other	2004-06-30 to 2054-06-30
6	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000149 Hao	2,369.85	Industrial/other	2004-06-30 to 2054-06-30
7	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000150 Hao	133.28	Industrial/other	2004-06-30 to 2054-06-30
8	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000151 Hao	475.15	Industrial/other	2004-06-30 to 2054-06-30
9	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000152 Hao	754.95	Industrial/other	2004-06-30 to 2054-06-30
10	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000153 Hao	1,003.03	Industrial/other	2004-06-30 to 2054-06-30
11	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000154 Hao	130.34	Industrial/other	2004-06-30 to 2054-06-30
12	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000155 Hao	772.45	Industrial/other	2004-06-30 to 2054-06-30
13	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000156 Hao	34.5	Industrial/other	2004-06-30 to 2054-06-30
14	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000157 Hao	651.47	Industrial/other	2004-06-30 to 2054-06-30
15	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000158 Hao	641.44	Industrial/other	2004-06-30 to 2054-06-30
16	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000159 Hao	111.72	Industrial/other	2004-06-30 to 2054-06-30
17	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000160 Hao	252.96	Industrial/other	2004-06-30 to 2054-06-30
18	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000161 Hao	88.29	Industrial/other	2004-06-30 to 2054-06-30
19	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000162 Hao	2,126.87	Industrial/other	2004-06-30 to 2054-06-30
20	Xin (2016) Shawan Xian Bu Dong Chan Quan 0000163 Hao	39.48	Industrial/other	2004-06-30 to 2054-06-30
3.	In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 252.96 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB1,050,000 as at the valuation date (equivalent to RMB405,825, 38.65% interest attributable to the Group).			
4.	We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:			
	i. the title of the land use rights of the property is clear and complete. COFCO Aerocean Oils is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;			
	ii. COFCO Aerocean Oils has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 252.96 sq. m.; and			
	iii. the title of the structures of the property is clear and complete and COFCO Aerocean Oils can dispose the structures together with the property.			
5.	For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.			

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
5.	Unit E on 22/F & Unit F on 23/F, Block 1, Jutian Building, No. 13 Heping Bei Road, Urumqi City, Xinjiang Uygur Autonomous Region, PRC	<p>The property comprises two residential units on 22nd and 23rd floors of Jutian Building completed in 2003.</p> <p>The property is located at Heping Bei Road of Urumqi. The immediate locality is a mixture of industrial and residential area of various ages and heights.</p> <p>The total gross floor area of the property is approximately 219.14 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 9 July 2076.</p>	As at the valuation date, the property was occupied by the Group for residential use.	RMB1,830,000 (89.09% interests attributable to the Group: RMB1,630,347)

Notes:

- Pursuant to two Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 219.14 sq. m. is vested in COFCO Tayuan Safflower (Xinjiang) Co., Ltd (中糧塔原紅花(新疆)有限公司) ("Tayuan Safflower (Xinjiang)"), which is a 89.09% owned subsidiary of the Company, for a term expiring on 9 July 2076 for residential use. Details of the said certificates are as follows:

Certificate No.	Gross Floor		Use	Issuance Date
	Area	(sq. m.)		
1	Fang Quan Zheng Wu Shi Tian Shan Qu Zi Di 2006059670 Hao	109.57	Residential	10 July 2006
2	Fang Quan Zheng Wu Shi Tian Shan Qu Zi Di 2006059681 Hao	109.57	Residential	10 July 2006

- We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - the title of the building ownership rights of the property is clear and complete. Tayuan Safflower (Xinjiang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - Tayuan Safflower (Xinjiang) has not obtained the relevant State-owned Land Use Rights Certificate of the property.
- In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB7,000 to 8,000/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.

4. For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
6.	An industrial complex located in Liaoyang Industrial Park and an office unit in Qoqek, Xinjiang Uygur Autonomous Region, PRC	<p>The property comprises various buildings in Emin County with a total gross floor area of approximately 8,815.75 sq. m. and some ancillary structures completed in 2016 with a site area of approximately 78,000.00 sq. m. and an office unit with a gross floor area of 21.00 sq. m. in Yinma Alley of Qoqek.</p> <p>The property is located in Liaoyang Industrial Park. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, the abovementioned buildings and structures were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 1 April 2063.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB14,690,000</p> <p>(89.09% interests attributable to the Group: RMB13,087,321)</p> <p>(See Notes 2 & 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. E Zheng Guo Yong (2011)Di 197 Hao, the land use rights of the property with a site area of approximately 78,000.00 sq. m. have been granted to COFCO Tayuan Safflower (Xinjiang) Co., Ltd (中糧塔原紅花(新疆)有限公司) (“Tayuan Safflower (Xinjiang)”), which is a 89.09% owned subsidiary of the Company, for a term expiring on 1 April 2063 for industrial use.
- In the course of our valuation, we have assigned no commercial value to the industrial buildings with a total gross floor area of approximately 8,815.75 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the buildings and structures of the property was RMB24,840,000 as at the valuation date (equivalent to RMB22,129,956, 89.09% interests attributable to the Group).
- In the course of our valuation, we have assigned no commercial value to the office unit with a gross floor area of approximately 21.00 sq. m. without obtaining the land use rights and building ownership rights certificates. For your reference purposes, the market value of the office unit would be RMB168,000, (equivalent to RMB149,671, 89.09% interest attributable to the Group) had the Group obtained the land use rights and building ownership rights certificates of such unit.

4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property stated in Note 1 is clear and complete. Tayuan Safflower (Xinjiang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. Tayuan Safflower (Xinjiang) has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 8,836.75 sq. m.; and
 - iii. the title of the structures of the property is clear and complete and Tayuan Safflower (Xinjiang) can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
7.	An industrial complex located in Yaou Xiandai Logistics Park, Changji City Train Station, Xinjiang Uygur Autonomous, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 36,866.20 sq. m. and some ancillary structures completed during the period of 2013–2019 and erected upon a parcel of land with a site area of approximately 346,668.40 sq. m.</p> <p>The property is located in Yaou Xiandai Logistics Park of Changji. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, the abovementioned buildings and structures were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 18 July 2062.</p>	<p>As at the valuation date, the property was occupied by the Group for Industrial use.</p>	<p>RMB125,440,000</p> <p>(100% interests attributable to the Group: RMB125,440,000)</p> <p>(See Note 2)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Chang Shi Guo Yong (2012) Di 20120472, the land use rights of a parcel of land with a site area of approximately 346,668.40 sq. m. have been granted to COFCO (Changji) Oils & Grains Industry Co., Ltd (中糧(昌吉)糧油工業有限公司) (“COFCO (Changji) Oils & Grains Industry”), which is a wholly-owned subsidiary of the Company, for a term expiring on 18 July 2062 for industrial use.
- In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 36,866.20 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB121,022,000 as at the valuation date (equivalent to RMB121,022,000, 100% interests attributable to the Group).

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. COFCO (Changji) Oils & Grains Industry is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. COFCO (Changji) Oils & Grains Industry has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 36,866.20 sq.m.; and
 - iii. the title of the structures of the property is clear and complete and COFCO (Changji) Oils & Grains Industry can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
8.	An industrial complex located at East of Tonghai Road and North of Lanshan Gang, Lanshan District, Rizhao City, Shandong Province, PRC	<p>The property comprises various buildings with total gross floor area of approximately 54,077.61 sq. m. and some ancillary structures completed during the period of 1992–2014 and erected upon four parcels of land with a site area of approximately 151,236.19 sq. m.</p> <p>The property is located at Tonghai Road of Rizhao. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also a wharf constructed without obtaining relevant title document.</p> <p>The land use rights of the property have been granted for a term expiring on 29 July 2052, 26 January 2054, 29 May 2054 and 31 May 2060 respectively.</p>	As at the valuation date, the property was occupied by the Group for Industrial use.	<p>RMB283,830,000</p> <p>(72.85% interests attributable to the Group: RMB206,770,155)</p> <p>(See Note 4)</p>

Notes:

- Pursuant to four State-owned Land Use Rights Certificates, the land use rights of parcel of land with a total site area of approximately 151,236.19 sq. m. have been granted to COFCO Yellowsea Oils & Grains Industries (Shandong) Co., Ltd (中糧黃海糧油工業(山東)有限公司) (“Yellowsea Oils & Grains Industries (Shandong)”), which is a 72.85% owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1 Ri Lan Guo Yong (2001) Zi Di 005 Hao	84,300.00	Industrial	26 January 2054
2 Ri Lan Guo Yong (2014) Zi Di 000994 Hao	43,820.60	Industrial	29 July 2052
3 Ri Lan Guo Yong (2014) Zi Di 000992 Hao	21,584.00	Industrial	29 May 2054
4 Ri Lan Guo Yong (2010) Zi Di 1174 Hao	1,531.59	Warehouse	31 May 2060

2. Pursuant to five Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 54,485.79 sq. m. is vested in Yellowsea Oils & Grains Industries (Shandong). Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area	Use	Issuance Date
		(sq. m.)		
1	Ri Fang Quan Zheng Shi Zi Di LS20121009004 Hao	10,853.45	Industrial	9 November 2012
2	Ri Fang Quan Zheng Shi Zi Di 20121008005 Hao	8,296.81	Industrial	9 November 2012
3	Ri Fang Quan Zheng Shi Zi Di 20121016002 Hao	22,521.47	Industrial	15 November 2012
4	Ri Fang Quan Zheng Shi Zi Di LS20121009003 Hao	5,969.79	Industrial	9 November 2012
5	Ri Fang Quan Zheng Shi Zi Di LS20150806005 Hao	6,844.27	Industrial	7 September 2015

3. Pursuant to Building Ownership Certificates, the total gross floor area of the property is 54,485.79 sq. m. However, portion of the property has been demolished as at the valuation date. The remaining property with a total gross floor area of 54,077.61 sq. m. has been taken into account in our valuation.
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Yellowsea Oils & Grains Industries (Shandong) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Yellowsea Oils & Grains Industries (Shandong) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete and Yellowsea Oils & Grains Industries (Shandong) can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
9.	Nos. 401 and 501, Unit 1, Block 023, Jiaoshou Garden, Rizhao City, Shandong Province, PRC	<p>The property comprises two residential units in Jiaoshou Garden completed in 2005.</p> <p>The property is located in Jiaoshou Garden. The immediate locality comprises a mixture of residential and industrial building of various ages and heights.</p> <p>The total gross floor area of the property is approximately 452.07 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 6 July 2072.</p>	As at the valuation date, the property was occupied by the Group for residential uses.	<p>RMB3,620,000</p> <p>(72.85% interests attributable to the Group: RMB2,637,170)</p>

Notes:

- Pursuant to two State-owned Land Use Rights Certificates, the land use rights of parcels of land with a total site area of approximately 4,101.11 sq. m. have been granted to COFCO Yellowsea Oils & Grains Industries (Shandong) Co., Ltd (中糧黃海糧油工業(山東)有限公司) (“Yellowsea Oils & Grains Industries (Shandong)”), which is a 72.85% owned subsidiary of the Company. Details of the said certificates are as follows:

Unit No.	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Ri Lan Guo Yong (2008) Zi Di 141 Hao	2,399.03	Residential	6 July 2072
2	Ri Lan Guo Yong (2008) Zi Di 142 Hao	1,702.08	Residential	6 July 2072

- Pursuant to two Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 452.07 sq. m. is vested in Yellowsea Oils & Grains Industries (Shandong). Details of the said certificates are as follows:

Unit No	Certificate No.	Gross Floor Area (sq. m.)	Use	Issuance Date
1	Ri Fang Quan Zheng Shi Zi Di 20060629008 Hao	173.33	Residential	29 June 2006
2	Ri Fang Quan Zheng Shi Zi Di 20060629007 Hao	278.74	Residential	29 June 2006

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Yellowsea Oils & Grains Industries (Shandong) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - ii. the title of the building ownership rights of the property is clear and complete. Yellowsea Oils & Grains Industries (Shandong) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.
4. In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB8,000 to 8,500/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
10.	Various residential units located at North of Zongyang East Road and East of Wanhua Road, Zhuyunshanzhuang, Lanshan District, Rizhao City, Shandong Province, PRC	<p>The property comprises various residential units with a total gross floor area of approximately 12,583.76 sq. m. completed in 2005 and 2008.</p> <p>The immediate locality comprises a mixture of residential and industrial building of various ages and heights.</p> <p>The land use rights of the property have been granted for a term expiring on 6 July 2072.</p>	As at the valuation date, the property was occupied by the Group for residential use.	<p>RMB62,920,000</p> <p>(72.85% interests attributable to the Group: RMB45,837,220)</p>

Notes:

- Pursuant to three State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 6,114.90 sq. m. have been granted to COFCO Yellowsea Oils & Grains Industries (Shandong) Co., Ltd (中糧黃海糧油工業(山東)有限公司) ("Yellowsea Oils & Grains Industries (Shandong)"), which is a 72.85% owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1 Ri Lan Guo Yong (2008) Di 140 Hao	2,013.79	Residential	6 July 2072
2 Ri Lan Guo Yong (2008) Di 141 Hao	2,399.03	Residential	6 July 2072
3 Ri Lan Guo Yong (2008) Di 142 Hao	1,702.08	Residential	6 July 2072

- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 12,583.76 sq. m. is vested in Yellowsea Oils & Grains Industries (Shandong). Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use	Issuance Date
1 Ri Fang Quan Zheng Shi Zi Di LS20121010006 Hao	10,975.38	Residential	15 November 2012
2 Lan Fang Quan Zheng Cheng Qu Zi Di 20090294	113.73	Residential	28 December 2005
3 Lan Fang Quan Zheng Cheng Qu Zi Di 20090295	110.57	Residential	28 December 2005
4 Lan Fang Quan Zheng Cheng Qu Zi Di 20090307	131.99	Residential	28 December 2005
5 Lan Fang Quan Zheng Cheng Qu Zi Di 20090304	127.62	Residential	28 December 2005
6 Lan Fang Quan Zheng Cheng Qu Zi Di 20090301	132.13	Residential	28 December 2005

		Gross Floor		
	Certificate No.	Area	Use	Issuance Date
		(sq. m.)		
7	Lan Fang Quan Zheng Cheng Qu Zi Di 20090303	124.18	Residential	28 December 2005
8	Lan Fang Quan Zheng Cheng Qu Zi Di 20090297	127.62	Residential	28 December 2005
9	Lan Fang Quan Zheng Cheng Qu Zi Di 20090302	113.73	Residential	28 December 2005
10	Lan Fang Quan Zheng Cheng Qu Zi Di 20090298	127.40	Residential	28 December 2005
11	Lan Fang Quan Zheng Cheng Qu Zi Di 20090300	121.87	Residential	28 December 2005
12	Lan Fang Quan Zheng Cheng Qu Zi Di 20090296	121.87	Residential	28 December 2005
13	Lan Fang Quan Zheng Cheng Qu Zi Di 20090305	132.13	Residential	28 December 2005
14	Lan Fang Quan Zheng Cheng Qu Zi Di 20090299	123.54	Residential	28 December 2005
3.	We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:			
	i. the title of the land use rights of the property is clear and complete. Yellowsea Oils & Grains Industries (Shandong) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and			
	ii. the title of the building ownership rights of the property is clear and complete. Yellowsea Oils & Grains Industries (Shandong) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.			
4.	In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB5,000 to 5,500/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.			
5.	For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.			

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
11.	An industrial complex located at No. 7058 Changjiang East Road, Mudan, Heze City, Shandong Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 77,519.92 sq. m. and some ancillary structures completed in 2005 and 2011 and erected upon four parcels of land with a site area of approximately 265,841.00 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The land use rights of the property have been granted for a term expiring on 8 August 2053.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB132,560,000</p> <p>(70% interests attributable to the Group: RMB92,792,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate No. He Guo Yong (2004) Di 13402, the land use rights of the property with a total site area of approximately 265,841.00 sq. m. have been granted to COFCO ADM Cereals and Oils Industry (Heze) Co., Ltd. (中糧艾地盟糧油工業(荷澤)有限公司) ("COFCO ADM"), which is a 70% owned subsidiary of the Company for a term expiry on 8 August 2053 for industrial use.
- Pursuant to the Building Ownership Certificate, the building ownership of the property with a total gross floor area of 77,519.92 sq. m. is vested in COFCO ADM. Details of the said certificates are as follows:

Certificate No.	Gross Floor		Use	Issuance Date
	Area			
	(sq. m.)			
1	Fang Quan Zheng Lu He Shi Zi Di 031561 Hao	26,195.49	Industrial	28 December 2005
2	Fang Quan Zheng Lu He Shi Zi Di 031562 Hao	5,739.86	Industrial	28 December 2005
3	Fang Quan Zheng Lu He Shi Zi Di 031563 Hao	7,833.14	Industrial	28 December 2005
4	Fang Quan Zheng Lu He Shi Zi Di 031564 Hao	15,763.96	Industrial	28 December 2005
5	Fang Quan Zheng Lu He Shi Zi Di 031565 Hao	11,381.46	Industrial	28 December 2005
6	Fang Quan Zheng Lu He Shi Zi Di 031566 Hao	10,257.15	Industrial	28 December 2005
7	He Fang Quan Zheng Shi Zhi Zi Di 031570 Hao	116.47	Residential	25 April 2005
8	He Fang Quan Zheng Shi Zhi Zi Di 037671 Hao	113.68	Residential	25 April 2005
9	He Fang Quan Zheng Shi Zhi Zi Di 037672 Hao	118.71	Residential	25 April 2005

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. COFCO ADM is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property is clear and complete. COFCO ADM is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property; and
 - iii. the title of the structures of the property is clear and complete and COFCO ADM can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
12.	An industrial complex located at No. 1 Zhangbei Road, Fei County, Linyi City, Shandong Province, PRC	<p>Portion of the property comprises various buildings with a total gross floor area of approximately 52,480.87 sq. m. and some ancillary structures erected upon a parcel of land with a site area of approximately 152,582.51 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 4,092.55 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The remaining portion of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a warehouse with a planned gross floor area of approximately 162,798.73 sq. m.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 18 April 2055.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB89,320,000</p> <p>(100% interests attributable to the Group: RMB89,320,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to two Building Ownership Certificates, the land use rights and building ownership of the property with a total site area of approximately 152,582.51 sq. m. and total gross floor area of 52,750.81 sq. m. respectively are vested in Feixian COFCO Oil & Grain Industries CO., Ltd (費縣中糧油脂工業有限公司) (“Feixian COFCO”), which is a wholly-owned subsidiary of the Company, for a term expiring on 18 April 2055. Details of the said certificates are as follow:

	Certificate No.	Site Area (sq. m.)	Gross Floor Area (sq. m.)	Use	Land Use Term Expiry Date
1	Lu (2018) Fei Xian Bu Dong Chan Quan Di 0000409 Hao	15,006.51	3,095.03	Residential/Other	18 April 2055
2	Lu (2018) Fei Xian Bu Dong Chan Quan Di 0001134 Hao	137,576.00	49,655.78	Industrial/Office/Other	18 April 2055

- Pursuant to two Building Ownership Certificates, the total gross floor area of the property is 52,750.81 sq. m. However, portion of the property has been demolished as at the date of valuation. The remaining property with a total gross floor area of 52,480.87 sq. m. had been taken into account in our valuation.
- In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 4,092.55 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB2,856,000 as at the valuation date (equivalent to RMB2,865,000, 100% interests attributable to the Group).
- As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB2,720,000, of which approximately RMB2,720,000 has been paid up to the valuation date.
- In the course of our valuation, we have assigned no commercial value to the CIP with a total gross floor area of approximately 162,798.73 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the CIP of the property was RMB2,720,000 as at the valuation date. (equivalent to RMB2,720,000, 100% interests attributable to the Group).
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. Feixian COFCO is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - Feixian COFCO has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 4,092.55 sq. m.;
 - the title of the structures of the property is clear and complete and Feixian COFCO can dispose the structures together with the property; and
 - Feixian COFCO has not obtained all relevant construction permits for the under construction portion.

7. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB89,320,000	100%	RMB89,320,000
Group III – held by the Group under development	No commercial value	100%	No commercial value
	<u>RMB89,320,000</u>		<u>RMB89,320,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
13.	An industrial complex located at No. 39 Xingang Road North, Longkou City, Shandong Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 32,763.50 sq. m. and some ancillary structures completed during the period of 1997–2017 and erected upon two parcels of land with a total site area of approximately 86,242.00 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 3,016.13 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 27 April 2045 and 9 March 2044.</p>	<p>As at valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB90,010,000</p> <p>(100% interests attributable to the Group: RMB90,010,000)</p> <p>(See Note 4)</p>

Notes:

- Pursuant to two State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 86,242.00 sq. m. have been granted to Longkou Xinlong Edible Oil Co., Ltd. (龍口新龍食油有限公司) (“Longkou Xinlong Edible Oil”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	96-0144	66,639.00	Oil Production	27 April 2045
2	2001-0692	19,603.00	warehousing	9 March 2044

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 42,420.30 sq. m. is vested in Longkou Xinlong Edible Oil. Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use	Issuance Date
1	Long Fang Quan Zheng Long Kou Zi Di GC1047 Hao	87.10	Residential	26 September 2006
2	Long Fang Quan Zheng Long Kou Zi Di GC1049 Hao	87.10	Residential	26 September 2006
3	Long Fang Quan Zheng Long Kou Zi Di GC0037-3 Hao	4,127.94	Industrial/Other	27 August 1999
4	Long Fang Quan Zheng Long Kou Zi Di GC1197 Hao	2,164.18	Office	12 August 2008
5	Long Fang Quan Zheng Long Kou Zi Di GC0037-5 Hao	10,055.65	Industrial/Other	27 August 1999
6	Long Fang Quan Zheng Long Kou Zi Di GC0037-6 Hao	8,852.97	Industrial	3 December 1999
7	Long Fang Quan Zheng Long Kou Zi Di GC0037-2 Hao	2,529.50	Industrial	27 August 1999
8	Long Fang Quan Zheng Long Kou Zi Di GC0037-4 Hao	4,180.98	Industrial	27 August 1999
9	Long Fang Quan Zheng Long Kou Zi Di GC0037-9 Hao	3,103.29	Industrial	10 June 2004
10	Long Fang Quan Zheng Long Kou Zi Di GC0037-8 Hao	486.17	Industrial	10 June 2004
11	Long Fang Quan Zheng Long Kou Zi Di GC0037-10 Hao	2,679.55	Industrial	10 June 2004
12	Long Fang Quan Zheng Long Kou Zi Di GC0037-7 Hao	1,885.74	Industrial	10 June 2004
13	Long Fang Quan Zheng Long Kou Zi Di GC0097 Hao	100.73	Residential	26 September 2006
14	Long Fang Quan Zheng Long Kou Zi Di GC0037-1 Hao	2,079.40	Industrial	27 August 1999

3. Pursuant to the Building Ownership Certificates, the total gross floor area of the property is 42,420.30 sq. m. However, portion of the property has been demolished as at the valuation date. The remaining property with gross floor area of 32,763.50 sq. m. had been taken into account in our valuation.
4. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 3,016.13 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB5,093,000 as at the valuation date (equivalent to RMB5,090,000, 100% interests attributable to the Group).
5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Longkou Xinlong Edible Oil is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - Longkou Xinlong Edible Oil has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 3,016.13 sq. m.; and
 - the title of the structures of the property is clear and complete and Longkou Xinlong Edible Oil can dispose the structures together with the property.
6. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
14.	An industrial complex located in Legou Operation Area, Qinzhou Harbour, Qinzhou City, Guangxi Province, PRC	<p>Portion of the property comprises various buildings with a total gross floor area of approximately 29,761.63 sq. m. and some ancillary structures erected upon a parcel of land with a total site area of approximately 105,040.50 sq. m.</p> <p>The property is located in Legou Operation Area of Qinzhou. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 1,146.16 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The remaining portion of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a warehouse with a planned gross floor area of approximately 12,700.00 sq. m.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permits and title documents</p> <p>The land use rights of the property have been granted for a term expiring on 23 March 2054.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB128,080,000</p> <p>(100% interests attributable to the Group: RMB128,080,000)</p> <p>(See Note 3)</p>

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate – No. Qin Guo Yong (2004) Zi Di D012, the land use rights of a parcel of land with a site area of approximately 105,040.50 sq. m. have been granted to Qinzhou Dayang Cereals and Oils Co., Ltd (欽州大洋糧油有限公司) (“Qinzhou Dayang Cereals and Oils”), which is a wholly-owned subsidiary of the Company, for a term expiring on 23 March 2054 for industrial use.
2. Pursuant to the various Building Ownership Certificates the ownership of the property with a total gross floor area of approximately 29,761.63 sq. m. together with the corresponding land use rights are vested in Qinzhou Dayang Cereals and Oils Co., Ltd. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Gross Floor Area (sq. m.)	Use	Land Use Term Expiry Date
1	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0013725 Hao	105,040.50	1,952.04	Industrial	23 March 2054
2	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015110 Hao	105,040.50	2,805.24	Industrial	23 March 2054
3	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015116 Hao	105,040.50	650.10	Industrial	23 March 2054
4	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015112 Hao	105,040.50	901.80	Industrial	23 March 2054
5	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015120 Hao	105,040.50	263.67	Industrial	23 March 2054
6	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015118 Hao	105,040.50	939.77	Industrial	23 March 2054
7	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015122 Hao	105,040.50	40.59	Industrial	23 March 2054
8	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015113 Hao	105,040.50	62.00	Industrial	23 March 2054
9	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015109 Hao	105,040.50	17,786.01	Industrial	23 March 2054
10	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015119 Hao	105,040.50	478.93	Industrial	23 March 2054
11	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015117 Hao	105,040.50	25.41	Industrial	23 March 2054
12	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015123 Hao	105,040.50	10.24	Industrial	23 March 2054
13	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015139 Hao	105,040.50	2,086.08	Industrial	23 March 2054
14	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015121 Hao	105,040.50	27.84	Industrial	23 March 2054
15	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015111 Hao	105,040.50	908.36	Industrial	23 March 2054
16	Gui (2018) Qin Zhou Shi Bu Dong Chan Quan Di 0015114 Hao	105,040.50	823.55	Industrial	23 March 2054

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 1,146.16 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB2,518,000 as at the valuation date (equivalent to RMB2,518,000, 100% interests attributable to the Group).
4. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB4,470,000, of which approximately RMB2,935,000 has been paid up to the valuation date.
5. In the course of our valuation, we have assigned no commercial value to the CIP with a total gross floor area of approximately 12,700.00 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of CIP of the property was RMB2,935,000 as at the valuation date. (equivalent to RMB2,935,000, 100% interests attributable to the Group).
6. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Qinzhou Dayang Cereals and Oils is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. Qinzhou Dayang Cereals and Oils has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 1,146.16 sq.m.;
 - iii. the title of the structures of the property is clear and complete and Qinzhou Dayang Cereals and Oils can dispose the structures together with the property; and
 - iv. Qinzhou Dayang Cereals and Oils has not obtained all relevant construction permits for the under construction portion.
7. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB128,080,000	100%	RMB128,080,000
Group III – held by the Group under development	No commercial value	100%	No commercial value
	<u>RMB128,080,000</u>		<u>RMB128,080,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
15.	Unit 402 of No. 5 Puhui Jiu Street and Unit 205 of No. 17 Puhui Shiyi Street, Guangzhou City, Guangdong Province, PRC	<p>The property comprises two residential units completed in 2002.</p> <p>The immediate locality comprises a mixture of residential and industrial building of various ages and heights.</p> <p>The total gross floor area of the property is approximately 105.44 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 6 July 2059.</p>	<p>As at the valuation date, the property was occupied by the Group for residential use.</p>	<p>RMB1,370,000</p> <p>(100% interests attributable to the Group: RMB1,370,000)</p>

Notes:

- Pursuant to the two Building Ownership Certificates, the land use rights and building ownership of the property are vested in COFCO Xinsha Oils & Grains Industries (Dongguan) Co., Ltd., (中糧新沙糧油工業(東莞)有限公司) (“COFCO Xinsha Oils Grains Industries (Dongguan)”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Gross Floor Area (sq. m.)	Use	Issuance Date
1	Yue Fang Di Quan Zheng Sui Zi Di 0510001761 Hao	813.50	53.77	Residential	6 July 2009
2	Yue Fang Di Quan Zheng Sui Zi Di 0510001870 Hao	3,467.00	51.67	Residential	29 June 2009

- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the building ownership rights of the property is clear and complete. COFCO Xinsha Oils Grains Industries (Dongguan) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.
- In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB13,000 to 15,000/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.
- For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
16.	Unit 6#C401, Mingcui Yuan, Dongsheng New City, Machong Zhen, Dongguan City, Guangdong Province, PRC	<p>The property comprises a residential unit completed in 2009.</p> <p>The immediate locality comprises a mixture of residential and industrial building of various ages and heights.</p> <p>The gross floor area of the property is approximately 90.28 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 10 July 2059.</p>	<p>As at the valuation date, the property was occupied by the Group for residential use.</p>	<p>RMB630,000</p> <p>(100% interests attributable to the Group: RMB630,000)</p>

Notes:

- Pursuant to a Building Ownership Certificate, the land use rights and building ownership of the property are vested in COFCO Xinsha Oils & Grains Industries (Dongguan) Co., Ltd., (中糧新沙糧油工業(東莞)有限公司) (“COFCO Xinsha Oils Grains Industries (Dongguan)”), which is a wholly-owned subsidiary of the Company. Details of the said certificate are as follows:

Certificate No.	Site Area	Gross Floor		Issuance Date
		Area	Use	
		(sq. m.)	(sq. m.)	
Yue Fang Di Quan Zheng Guan Zi Di 0900039036 Hao	39,335.00	90.28	Residential	10 July 2009

- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the building ownership rights of the property is clear and complete. COFCO Xinsha Oils Grains Industries (Dongguan) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.
- In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB6,000 to 7,000/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.
- For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
17.	Units 207 and 506, Block 1, District B of Kangle Yuan, Xinkang Garden, Baijiang Village, Xintang Zhen, Guangzhou City, Guangdong Province, PRC	<p>The property comprises two residential units completed in 2003.</p> <p>The immediate locality comprises a mixture of residential and industrial buildings of various ages and heights.</p> <p>The total gross floor area of the property is approximately 179.10 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 25 August 2059.</p>	<p>As at the valuation date, the property was occupied by the Group for residential use.</p>	<p>RMB2,150,000</p> <p>(100% interests attributable to the Group: RMB2,150,000)</p>

Notes:

- Pursuant to two Building Ownership Certificates, the land use rights and building ownership of the property are vested in COFCO Xinsha Oils & Grains Industries (Dongguan) Co., Ltd., (中糧新沙糧油工業(東莞)有限公司) (“COFCO Xinsha Oils Grains Industries (Dongguan)”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

Unit No.	Certificate No.	Site Area (sq. m.)	Gross Floor Area (sq. m.)	Use	Issuance Date
Unit 506	Yue Fang Di Quan Zheng Zeng Shang Zi Di 704140 Hao	987.51	89.55	Residential	25 August 2009
Unit 207	Yue Fang Di Quan Zheng Zeng Shang Zi Di 704138 Hao	987.51	89.55	Residential	25 August 2009

- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the building ownership rights of the property is clear and complete. COFCO Xinsha Oils Grains Industries (Dongguan) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.
- In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB13,000 to 15,000/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.
- For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
18.	An industrial complex located in Maer Village, Machong Zhen, Dongguan City, Guangdong Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 22,970.77 sq. m. and some ancillary structures completed during the period of 2002–2011 erected upon a parcel of land with a total site area of approximately 79,339.56 sq. m.</p> <p>The property is located in Maer Village of Machong Zhen. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The land use rights of the property have been granted for a term expiring on 31 May 2052.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB118,360,000</p> <p>(100% interests attributable to the Group: RMB118,360,000)</p>

Notes:

- Pursuant to four State-owned Land Use Rights Certificates, the land use rights and building ownership of the property are vested in COFCO Xinsha Oils & Grains Industries (Dongguan) Co., Ltd., (中糧新沙糧油工業(東莞)有限公司) (“COFCO Xinsha Oils Grains Industries (Dongguan)”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
Dong Fu Guo Yong (2001) Di Te 520 Hao	40,856.00	Industrial	31 May 2052
Dong Fu Guo Yong (2003) Di Te 450 Hao	31,248.46	Industrial	31 May 2052
Dong Fu Guo Yong (2005) Di Te 1190 Hao	5,773.90	Industrial	31 May 2052
Dong Fu Guo Yong (2005) Di Te 1191 Hao	1,461.20	Industrial	31 May 2052

2. Pursuant to various Building Ownership Certificates, the building ownership of the property is vested in COFCO Xinsha Oils Grains Industries (Dongguan). Details of the said certificates are as follows:

Certificate No.		Gross Floor		Issuance Date
		Area (sq. m.)	Use	
1	Yue Fang Di Guan Zheng Wan Zi Di 0900244628 Hao	6,254.26	Non-residential	2 April 2011
2	Yue Fang Di Guan Zheng Wan Zi Di 0900244630 Hao	2,584.51	Non-residential	2 April 2011
3	Yue Fang Di Guan Zheng Wan Zi Di 0900244626 Hao	233.98	Non-residential	2 April 2011
4	Yue Fang Di Guan Zheng Wan Zi Di 0900244623 Hao	570.63	Non-residential	2 April 2011
5	Yue Fang Di Guan Zheng Wan Zi Di 0900244625 Hao	214.20	Non-residential	2 April 2011
6	Yue Fang Di Guan Zheng Wan Zi Di 0900244627 Hao	1,726.38	Non-residential	2 April 2011
7	Yue Fang Di Guan Zheng Wan Zi Di 0900244629 Hao	6,900.00	Non-residential	2 April 2011
8	Yue Fang Di Guan Zheng Wan Zi Di 0900244624 Hao	2,429.02	Non-residential	2 April 2011
9	Yue Fang Di Guan Zheng Wan Zi Di 0900425665 Hao	2,057.79	Non-residential	8 August 2012

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. COFCO Xinsha Oils Grains Industries (Dongguan) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - the title of the building ownership rights of the property is clear and complete. COFCO Xinsha Oils Grains Industries (Dongguan) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
19.	Various residential units in Xinhongxian Garden, Dongtai Village, Machong Zhen, Dongguan City, Guangdong Province, PRC	<p>The property comprises various residential units in Xinhongxian Garden completed in 2015.</p> <p>The immediate locality comprises a mixture of residential and industrial building of various ages and heights.</p> <p>The total gross floor area of the property is approximately 1,440.42 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 23 December 2079.</p>	As at the valuation date, the property was occupied by the Group for residential use.	<p>RMB20,250,000</p> <p>(100% interests attributable to the Group: RMB20,250,000)</p>

Notes:

- Pursuant to a State-owned Land Use Rights Certificate No. Dong Fu Guo Yong (2010)Di Te 94 Hao, the land use rights of the property have been granted to COFCO Xinsha Oils & Grains Industries (Dongguan) Co., Ltd., (中糧新沙糧油工業(東莞)有限公司) (“COFCO Xinsha Oils Grains Industries (Dongguan)”), which is a wholly-owned subsidiary of the Company for a term expiring on 23 December 2079 for residential use.
- Pursuant to various Building Ownership Certificates, the building ownership of the property is vested in COFCO Xinsha Oils Grains Industries (Dongguan). Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use	Land Use Term Expiry Date
Yue Fang Di Guan Zheng Wan Zi Di 0900818051 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818052 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818053 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818054 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818055 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818056 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818057 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818058 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818059 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818060 Hao	94.98	Residential	28 July 2015

Certificate No.	Gross Floor Area (sq. m.)	Use	Land Use Term Expiry Date
Yue Fang Di Guan Zheng Wan Zi Di 0900818061 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818062 Hao	94.98	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818063 Hao	150.33	Residential	28 July 2015
Yue Fang Di Guan Zheng Wan Zi Di 0900818064 Hao	150.33	Residential	28 July 2015
3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:			
i. the title of the building ownership rights of the property is clear and complete. COFCO Xinsha Oils Grains Industries (Dongguan) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.			
4. In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB13,000 to 15,000/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.			
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.			

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
20.	An industrial complex located at Haiguan Avenue West Section, Dongzhou Village, Xintang Zhen, Zengcheng, Guangzhou City, Guangdong Province, PRC	<p>The property comprise various buildings with a total gross floor area of approximately 7,556.92 sq. m. and other ancillary structures completed in 1996 and erected upon two parcels of land with a total site area of approximately 47,753.00 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The land use rights of the property have been granted for a term expiring on 10 September 2046 and 30 November 2045.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB37,280,000</p> <p>(89.36% interests attributable to the Group: RMB33,313,408)</p>

Notes:

- Pursuant to two State-owned Land Use Rights Certificate, the land use rights of the property with a total site area of approximately 47,753.00 sq. m. has been granted to COFCO Eastbay Oils & Grains Industries (Guangzhou) Co., Ltd. (中糧東洲糧油工業(廣州)有限公司) ("Eastbay Oils And Grains Industries (Guangzhou)"), which is a 89.36% owned subsidiary of the Company. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Zeng Guo Yong (1996) Zi Di Te 010 Hao	22,943.00	Industrial	10 September 2046
2	Zeng Guo Yong (1998) Zi Di 0027459 Hao	24,810.00	Wharf	30 November 2045

- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 7,556.92 sq. m. is vested in Eastbay Oils And Grains Industries (Guangzhou). Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use	Issuance Date
1	Yue Fang ZI Di 1643403 Hao	563.76	Non-residential	13 January 1998
2	Yue Fang ZI Di 1643404 Hao	507.96	Non-residential	13 January 1998
3	Yue Fang ZI Di 1643405 Hao	1,410.00	Non-residential	13 January 1998
4	Yue Fang ZI Di 4014777 Hao	5,075.20	Non-residential	2 September 1997

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Eastbay Oils And Grains Industries (Guangzhou) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property is clear and complete. Eastbay Oils And Grains Industries (Guangzhou) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property; and
 - iii. the title of the structures of the property is clear and complete and Eastbay Oils And Grains Industries (Guangzhou) can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
21.	An industrial complex located at Xinmeixiang Avenue West 150 meter, Zhongxiang, Jingmen, Hubei Province, PRC	<p>The property comprises various buildings and some ancillary structures completed in 2009 and 2010.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, the aforesaid buildings of the property with a total gross floor area of approximately 33,719.00 sq. m. and some ancillary structures were constructed without obtaining relevant construction permits and title documents.</p> <p>The property comprises various workshops and ancillary facilities.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	No commercial value (See Note 2)

Notes:

- The land use rights and building ownership rights have not been granted to Hubei COFCO Xiangrui Oils & Grains Storage Co., Ltd. (湖北中糧祥瑞糧油倉儲有限公司) ("Hubei Xiangrui Oils & Grains Storage"), which is a 67.94% owned subsidiary of the Company.
- In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 33,719.00 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB27,078,000 as at the valuation date (equivalent to RMB18,396,793, 67.94% interests attributable to the Group).
- We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - Hubei Xiangrui Oils & Grains Storage has not obtained the relevant State-owned Land Use Rights Certificate and building ownership certificate for the buildings with a gross floor area of approximately 33,719.00 sq. m..
- For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
22.	An industrial complex located at No. 1 Zhongliang Avenue, New & Hi-tech Industrial Development Zone, Huangzhou Industrial Park, Huanggang City, Hubei Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 100,959.00 sq. m. and some ancillary structures completed during the period of 2012–2016 and erected upon two parcels of land with a total site area of approximately 263,230.00 sq. m.</p> <p>The property is located in the industrial development zone of Huanggang. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, the abovementioned buildings and structures were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 12 July 2061.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB117,100,000</p> <p>(100% interests attributable to the Group: RMB117,100,000)</p> <p>(See Note 2)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate No. Huang Gang Guo You (2011) Di 210000002 Hao, the land use rights of the property with a total site area of approximately 263,230.00 sq. m. have been granted to COFCO Oils & Grains Industries (Huanggang) Co., Ltd. (中糧糧油工業(黃岡)有限公司) (“COFCO Oils & Grains Industries (Huanggang)”), which is a wholly-owned subsidiary of the Company, for a term expiring on 12 July 2061 for industrial use.
- In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 100,959.00 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB128,276,000 as at the valuation date (equivalent to RMB128,276,000, 100% interests attributable to the Group).

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. COFCO Oils & Grains Industries (Huanggang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. COFCO Oils & Grains Industries (Huanggang) has not obtained the relevant building ownership certificate for the buildings with a gross floor area of approximately 100,959.00 sq. m.; and
 - iii. the title of the structures of the property is clear and complete and COFCO Oils & Grains Industries (Huanggang) can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
23.	An industrial complex located in Qingji Industrial Area (Zhongliang), Yangchang Zhen, Jingzhou City, Hubei Province, PRC	<p>Portion of the property comprises various buildings with a total gross floor area of approximately 73,191.25 sq. m. and some ancillary structures completed in 2011 erected upon a parcel of land with a total site area of approximately 239,525.17 sq. m.</p> <p>The property is located in Qingji Industrial Area of Jingzhou. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The remaining portion of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in December 2019.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 31 January 2061.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB195,570,000</p> <p>(100% interests attributable to the Group: RMB195,570,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate, the land use rights of the property with a total site area of approximately 239,525.17 sq. m. have been granted to COFCO Oils and Grains Industries (Jingzhou) Co., Ltd (中糧糧油工業(荊州)有限公司) (“COFCO Oils & Grains Industries (Jingzhou)”), which is a wholly-owned subsidiary of the Company, for a term expiring on 31 January 2061 for industrial use.
- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 73,191.25 sq. m. is vested in COFCO Oils & Grains Industries (Jingzhou) for industrial/other use. Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use	Issuance Date
1	Gong An Fang Quan Zheng Yang Zi Di 20130635 Hao	3,297.84	Unspecific	31 January 2013
2	Gong An Fang Quan Zheng Yang Zi Di 20130636 Hao	2,315.76	Unspecific	31 January 2013

	Certificate No.	Gross Floor		Issuance Date
		Area (sq. m.)	Use	
3	Gong An Fang Quan Zheng Yang Zi Di 20130630 Hao	5,094.10	Unspecific	31 January 2013
4	Gong An Fang Quan Zheng Yang Zi Di 20130628 Hao	1,191.00	Unspecific	31 January 2013
5	Gong An Fang Quan Zheng Yang Zi Di 20130633 Hao	9,640.90	Unspecific	31 January 2013
6	Gong An Fang Quan Zheng Yang Zi Di 20130626 Hao	2,569.80	Unspecific	31 January 2013
7	Gong An Fang Quan Zheng Yang Zi Di 20130623 Hao	18,728.90	Unspecific	31 January 2013
8	Gong An Fang Quan Zheng Yang Zi Di 20130631 Hao	24,758.50	Unspecific	31 January 2013
9	Gong An Fang Quan Zheng Yang Zi Di 20130624 Hao	4,839.12	Unspecific	31 January 2013
10	Gong An Fang Quan Zheng Yang Zi Di 20130625 Hao	755.33	Unspecific	31 January 2013
3.	As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB3,980,000, of which approximately RMB3,584,000 has been paid up to the valuation date.			
4.	In the course of our valuation, we have assigned no commercial value to the CIP with which was constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the CIP of the property was RMB3,584,000 as at the valuation date (equivalent to RMB3,584,000, 100% interests attributable to the Group).			
5.	We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:			
i.	the title of the land use rights of the property is clear and complete. COFCO Oils & Grains Industries (Jingzhou) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;			
ii.	the title of the building ownership rights of the property is clear and complete. COFCO Oils & Grains Industries (Jingzhou) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;			
iii.	the title of the structures of the property is clear and complete and COFCO Oils & Grains Industries (Jingzhou) can dispose the structures together with the property; and			
iv.	COFCO Oils & Grains Industries (Jingzhou) has not obtained all relevant construction permits for the under construction portion.			

6. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB195,570,000	100%	RMB195,570,000
Group III – held by the Group under development	No commercial value	100%	No commercial value
	<u>RMB195,570,000</u>		<u>RMB195,570,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
24.	An industrial complex located in Fuxi Industrial Park, Nanfeng County, Fuzhou City, Jiangxi Province, PRC	<p>Portion of the property comprises various buildings with a total gross floor area of 8,567.63 sq. m. and other ancillary structures completed during the period of 2010–2013 erected upon a parcel of land with a total site area of approximately 88,146.44 sq. m.</p> <p>The property is located in Fuxi Industrial Park of Fuzhou. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 5,272.00 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The remaining portion of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a warehouse with a planned gross floor area of approximately 409.08 sq. m.</p> <p>The land use rights of the property have been granted for terms expiring on 9 January 2061 and 19 December 2065 respectively.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB37,670,000</p> <p>(51% interests attributable to the Group: RMB19,211,700)</p> <p>(See Note 3)</p>

Notes:

1. Pursuant to two State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 88,146.44 sq. m. have been granted to Jiangxi Longchang Bioenergy Technology Co., Ltd. (江西隆昌生物能源科技有限公司) (“Jiangxi Longchang Bioenergy Technology”), which is a 51% owned subsidiary of the Company. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Feng Guo Yong (2011) Di 13001 Hao	80,000.00	Industrial	9 January 2061
2	Gan (2017) Nan Feng Xian Bu Dong Chan Quan Di 00000160 Hao	8,146.44	Industrial	19 December 2065

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 8,567.63 sq. m. is vested in Jiangxi Longchang Bioenergy Technology. Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use	Issuance Date
1	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201101083 Hao	1,367.44	Industrial	21 July 2011
2	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201101084 Hao	269.32	Industrial	21 July 2011
3	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201101082 Hao	566.68	Industrial	21 July 2011
4	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100929 Hao	1,054.63	Industrial	24 June 2011
5	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100930 Hao	1,101.55	Industrial	24 June 2011
6	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100931 Hao	801.55	Industrial	24 June 2011
7	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100932 Hao	435.99	Industrial	24 June 2011
8	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100933 Hao	46.02	Industrial	24 June 2011
9	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100934 Hao	77.84	Industrial	24 June 2011
10	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100935 Hao	1,243.51	Industrial	24 June 2011
11	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100936 Hao	801.55	Industrial	24 June 2011
12	Nan Feng Fang Quan Zheng Qin Cheng Zhen Zi Di 201100937 Hao	801.55	Industrial	24 June 2011

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 5,272.00 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB5,406,000 as at the valuation date (equivalent to RMB2,757,060, 51% interest attributable to the Group).
4. Pursuant to the Construction Land Planning Permit – No. Gan (2017) Nan Feng Xian Bu Dong Chan Quan Di 00000160, Jiangxi Longchang Bioenergy Technology is permitted to use a parcel of land with a site area of approximately 409.80 sq. m. for development.

5. Pursuant to the Construction Works Planning Permit – No. 36102320150035, Jiangxi Longchang Bioenergy Technology is permitted to use a parcel of land with a site area of approximately 409.80 sq. m. for development.
6. Pursuant to the Construction Works Commencement Permit – No. 361023201604250101, the construction works of the property with a construction scale of approximately 409.80 sq. m. is approved for commencement.
7. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB2,310,000, of which approximately RMB2,307,000 has been paid up to the valuation date.
8. The market value of the CIP of the property as if completed as at valuation date is estimated to be RMB3,100,000 (equivalent to RMB1,581,000, 51% interests attributable to the Group).
9. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Jiangxi Longchang Bioenergy Technology is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. Jiangxi Longchang Bioenergy Technology has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 5,272.00 sq. m.;
 - iii. the title of the structures of the property is clear and complete and Jiangxi Longchang Bioenergy Technology can dispose the structures together with the property; and
 - iv. all the relevant formalities have been passed for the CIP of the property completely and there are no legal impediments for Jiangxi Longchang Bioenergy Technology to carry out construction.
10. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB34,570,000	51%	RMB17,630,700
Group III – held by the Group under development	<u>RMB3,100,000</u>	51%	<u>RMB1,581,000</u>
	<u><u>RMB37,670,000</u></u>		<u><u>RMB19,211,700</u></u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
25.	An industrial complex located at Qishan Road, Juchao Economical Development Zone, Anhui Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 73,276.34 sq. m. and some ancillary structures completed in 2011 and 2013 erected upon a parcel of land with a total site area of approximately 376,691.85 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 11,000.00 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for terms expiring on 15 August 2061, 21 September 2062 and 2 August 2063 respectively.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB241,920,000</p> <p>(100% interests attributable to the Group: RMB241,920,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 376,691.85 sq. m. have been granted to COFCO Oils & Grains Industries (Chaohu) Co., Ltd. (中糧糧油工業(巢湖)有限公司) (“COFCO Oils & Grains Industries (Chaohu)”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Chao Guo Yong (2013) Di 2545 Hao	50,689.31	Industrial	2 August 2063
2	Chao Guo Yong (2012) Di C1035 Hao	60,910.26	Industrial	21 September 2062
3	Chao Guo Yong (2011) Di 02100 Hao	265,092.28	Industrial	15 August 2061

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 73,276.34 sq. m. is vested in COFCO Oils & Grains Industries (Chaohu). Details of the said certificates are as follows:

Certificate No.		Gross Floor Area (sq. m.)	Use	Issuance Date
1	Fang Di Quan Zheng Chao Hu Shi Zi Di 322602	1,222.08	Industrial	11 December 2015
2	Fang Di Quan Zheng Chao Hu Shi Zi Di 322603	4,528.58	Industrial	11 December 2015
3	Fang Di Quan Zheng Chao Hu Shi Zi Di 322604	2,302.48	Industrial	11 December 2015
4	Fang Di Quan Zheng Chao Hu Shi Zi Di 322605	26.46	Industrial	11 December 2015
5	Fang Di Quan Zheng Chao Hu Shi Zi Di 322606	46.81	Industrial	11 December 2015
6	Fang Di Quan Zheng Chao Hu Shi Zi Di 322607	165.51	Industrial	11 December 2015
7	Fang Di Quan Zheng Chao Hu Shi Zi Di 322608	1,546.24	Industrial	11 December 2015
8	Fang Di Quan Zheng Chao Hu Shi Zi Di 322609	657.59	Industrial	11 December 2015
9	Fang Di Quan Zheng Chao Hu Shi Zi Di 322610	206.04	Industrial	11 December 2015
10	Fang Di Quan Zheng Chao Hu Shi Zi Di 322611	1,870.89	Industrial	11 December 2015
11	Fang Di Quan Zheng Chao Hu Shi Zi Di 322612	359.04	Industrial	11 December 2015
12	Fang Di Quan Zheng Chao Hu Shi Zi Di 322613	6,043.21	Industrial	11 December 2015
13	Fang Di Quan Zheng Chao Hu Shi Zi Di 322614	11,107.40	Industrial	11 December 2015
14	Fang Di Quan Zheng Chao Hu Shi Zi Di 322615	1,432.60	Industrial	11 December 2015
15	Fang Di Quan Zheng Chao Hu Shi Zi Di 322616	1,876.66	Industrial	11 December 2015
16	Fang Di Quan Zheng Chao Hu Shi Zi Di 322617	4,827.68	Industrial	11 December 2015
17	Fang Di Quan Zheng Chao Hu Shi Zi Di 322618	1,044.48	Industrial	11 December 2015
18	Fang Di Quan Zheng Chao Hu Shi Zi Di 322619	15,900.96	Industrial	11 December 2015
19	Fang Di Quan Zheng Chao Hu Shi Zi Di 322620	16,994.16	Industrial	11 December 2015
20	Fang Di Quan Zheng Chao Hu Shi Zi Di 322621	440.44	Industrial	11 December 2015
21	Fang Di Quan Zheng Chao Hu Shi Zi Di 322622	539.23	Industrial	11 December 2015
22	Fang Di Quan Zheng Chao Hu Shi Zi Di 322623	137.80	Industrial	11 December 2015

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 11,000.00 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB17,179,000 as at the valuation date (equivalent to RMB17,179,000, 100% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. COFCO Oils & Grains Industries (Chaohu) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - COFCO Oils & Grains Industries (Chaohu) has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 11,000.00 sq. m.; and
 - the title of the structures of the property is clear and complete and COFCO Oils & Grains Industries (Chaohu) can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
26.	An industrial complex located in Beigong, Longqiao Zhen, Fuling District, Chongqing, PRC	<p>The property comprises various buildings with a total gross floor of approximately 26,338.31 sq. m. and some ancillary structures completed in 2004, 2005 and 2012 erected upon a parcel of land with a total site area of approximately 91,605.70 sq. m. and a wharf.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 8,399.20 sq. m. and some ancillary structures and wharf with a site area of 11,000.00 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 18 March 2054.</p>	As at the valuation date, the property was occupied by the Group for industrial and wharf uses.	<p>RMB45,600,000</p> <p>(100% interests attributable to the Group: RMB45,600,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 91,605.70 sq. m. have been granted to Chongqing Xinfu Food Co., Ltd. (重慶新涪食品有限公司) (“Chongqing Xinfu Food”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1 303 Fang Di Zheng 2005T Zi Di 000257 Hao	16,099.80	Industrial	18 March 2054
2 303 Fang Di Zheng 2006 Zi DI 01952 Hao	49,631.40	Industrial	18 March 2054
3 303 Fang Di Zheng 2006T ZI Di 000038 Hao	1,078.10	Industrial	18 March 2054
4 303 Fang Di Zheng 2005T ZI Di 000256 Hao	24,796.40	Industrial	18 March 2054

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 26,338.31 sq. m. is vested in Chongqing Xinfu Food. Details of the said certificates are as follows:

Certificate No.		Gross Floor	Use	Issuance Date
		Area (sq. m.)		
1	303 Fang Di Zheng 2006 Zi Di 01958	2,619.54	Industrial	14 March 2006
2	303 Fang Di Zheng 2006 Zi Di 01959	8,622.34	Industrial	14 March 2006
3	303 Fang Di Zheng 2006 Zi Di 01955	6,495.45	Industrial	14 March 2006
4	303 Fang Di Zheng 2006 Zi Di 01954	1,449.00	Comprehensive	14 March 2006
5	303 Fang Di Zheng 2006 Zi Di 01956	1,248.65	Industrial	14 March 2006
6	303 Fang Di Zheng 2006 Zi Di 01952	1,163.52	Industrial	14 March 2006
7	303 Fang Di Zheng 2006 Zi Di 01953	605.12	Industrial	7 February 2006
8	303 Fang Di Zheng 2006 Zi Di 01957	2,371.82	Industrial	7 February 2006
9	303 Fang Di Zheng 2006 Zi Di 01960	1,762.87	Industrial	7 February 2006

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 8,399.20 sq. m. and the land use rights of the wharf with a site area of 11,000.00 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings and wharf was RMB85,590,000 as at the valuation date (equivalent to RMB85,590,000, 100% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Chongqing Xinfu Food is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - Chongqing Xinfu Food has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 8,399.20 sq. m.;
 - Chongqing Xinfu Food has not obtained the land use rights of the wharf with a site area of approximately 11,000.00 sq. m.; and
 - the title of the structures of the property is clear and complete and Chongqing Xinfu Food can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
27.	An industrial complex located at No. 55 Changjiang Road, Degan Jie Dao, Jiangjin District, Chongqing, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 19,864.29 and some ancillary structures completed in 2011 and 2014 erected upon a parcel of land with a total site area of approximately 133,528.85 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 9 March 2061.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB118,640,000</p> <p>(100% interests attributable to the Group: RMB118,640,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to a State-owned Land Use Rights Certificate No. 203 Fang Di Zheng 2015 Zi Di 20645 Hao, the land use rights of the property with a site area of approximately 51,086.00 sq. m. have been granted to COPCO Oils & Grains Industries (Chongqing) Co., Ltd. (中糧糧油工業(重慶)有限公司) (“COPCO Oils & Grains Industries (Chongqing)”), which is a wholly-owned subsidiary of the Company for a term expiring on 9 March 2061 for industrial use.
- Pursuant to various Building Ownership Certificates, the land use rights and building ownership of the property with a total gross floor area of approximately 19,864.29 sq. m. is vested in COFCO Oils & Grains Industries (Chongqing). Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Gross Floor Area (sq. m.)	Use	Land Use Term Expiry Date
1	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000087545 Hao	80,249.68	2,678.51	Industrial	9 March 2061
2	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000088015 Hao	80,249.68	1495.97	Industrial	9 March 2061
3	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000087295 Hao	80,249.68	346.77	Industrial	9 March 2061
4	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000087754 Hao	80,249.68	708.23	Industrial	9 March 2061
5	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000087041 Hao	80,249.68	546.67	Industrial	9 March 2061
6	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000088152 Hao	80,249.68	331.76	Industrial	9 March 2061
7	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000077819 Hao	2,193.17	151.98	Industrial	9 March 2061
8	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000089289 Hao	80,249.68	8,150.23	Industrial	9 March 2061
9	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000086663 Hao	80,249.68	2,289.92	Industrial	9 March 2061
10	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000089569 Hao	80,249.68	2,484.84	Industrial	9 March 2061
11	Yu (2019)Jiang Jin Qu Bu Dong Chan Quan Di 000087921 Hao	80,249.68	679.41	Industrial	9 March 2061

- In the course of our valuation, we have assigned no commercial value to the structures which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the structures was RMB19,784,000 as at the valuation date (equivalent to RMB19,784,000, 100% interests attributable to the Group).
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. COFCO Oils & Grains Industries (Chongqing) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. COFCO Oils & Grains Industries (Chongqing) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership use rights of the property; and
 - COFCO Oils & Grains Industries (Chongqing) has not obtained the relevant building ownership certificate for some of the structures.
- For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
28.	An industrial complex located at No. 198 Haibin Luyou Road, Development Zone, Dalian City, Liaoning Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 31,705.43 sq. m. and some structures completed in 2007, 2012 and 2014 respectively.</p> <p>The property is located in development zone of Dalian. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, the aforesaid buildings were erected upon parcels of land with a total site area of approximately 135,488.00 sq. m. without obtaining relevant title documents.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	No commercial value (See Note 2)

Notes:

- Pursuant to the various Building Ownership Certificates, the building ownership of the property is vested in COFCO Nisshin (Dalian) Co., Ltd., (中糧日清(大連)有限公司) ("Nisshin (Dalian)"), which is a 51% owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use
1 Da Fang Quan Zheng Kai Zi Di A47027 Hao	29.25	Other
2 Da Fang Quan Zheng Kai Zi Di A47031 Hao	3,189.89	Other
3 Da Fang Quan Zheng Kai Zi Di A47032 Hao	320.00	Other
4 Da Fang Quan Zheng Kai Zi Di A47033 Hao	7,980.41	Other
5 Da Fang Quan Zheng Kai Zi Di A47034 Hao	5,672.87	Other
6 Da Fang Quan Zheng Kai Zi Di A47035 Hao	4,122.40	Other
7 Da Fang Quan Zheng Kai Zi Di A47036 Hao	200.00	Other
8 Da Fang Quan Zheng Kai Zi Di A47037 Hao	113.28	Other
9 Da Fang Quan Zheng Kai Zi Di A47038 Hao	273.00	Other
10 Da Fang Quan Zheng Kai Zi Di A47029 Hao	124.80	Other
11 Da Fang Quan Zheng Kai Zi Di A47039 Hao	2,595.70	Other
12 Da Fang Quan Zheng Kai Zi Di A47040 Hao	175.56	Other
13 Da Fang Quan Zheng Kai Zi Di A47042 Hao	1,020.07	Other
14 Da Fang Quan Zheng Kai Zi Di A47043 Hao	324.36	Other
15 Da Fang Quan Zheng Kai Zi Di A47044 Hao	48.00	Other
16 Da Fang Quan Zheng Kai Zi Di A47045 Hao	878.34	Other
17 Da Fang Quan Zheng Kai Zi Di A47080 Hao	4,543.65	Other
18 Da Fang Quan Zheng Kai Zi Di A47078 Hao	80.85	Other
19 Da Fang Quan Zheng Kai Zi Di A47079 Hao	13.00	Other

2. In the course of our valuation, we have assigned no commercial value to the property which was constructed without obtaining relevant State-owned Land Use Rights Certificate. For your reference purpose, the depreciated replacement cost of the buildings of the property would be RMB49,300,000 as at the valuation date (equivalent to RMB25,143,000, 51% interests attributable to the Group).
3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. Nisshin (Dalian) has not obtained the relevant State-owned Land Use Rights Certificate; and
 - ii. Nisshin (Dalian) has not obtained the relevant building ownership certificate of the structures.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
29.	18 residential units, Chengrun Wanjia, Economical Development Zone, Dalian City, Liaoning Province, PRC	<p>The property comprises 18 residential units with a total gross floor area of approximately 1,546.48 sq. m. completed in 2014.</p> <p>As advised by the Group, the abovementioned units included 2 residential units with a total gross floor area of approximately 188.90 sq. m. are without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term of 70 years commencing from 30 September 2014.</p>	As at the valuation date, the property was occupied by the Group for residential use.	<p>RMB13,950,000</p> <p>(51% interests attributable to the Group: RMB7,114,500)</p> <p>(See Note 2)</p>

Notes:

- Pursuant to various Building Ownership Certificates, the building ownership of the property is vested in COFCO Nisshin (Dalian) Co., Ltd., (中糧日清(大連)有限公司) ("Nisshin (Dalian)"), which is a 51% owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Gross Floor Area	Use
	(sq. m.)	
1 Da Fang Quan Zheng Jin Xin Zi Di 2014027185 Hao	94.45	Residential
2 Da Fang Quan Zheng Jin Xin Zi Di 2014027182 Hao	94.45	Residential
3 Da Fang Quan Zheng Jin Xin Zi Di 2014027180 Hao	99.49	Residential
4 Da Fang Quan Zheng Jin Xin Zi Di 2014027192 Hao	94.45	Residential
5 Da Fang Quan Zheng Jin Xin Zi Di 2014027194 Hao	94.45	Residential
6 Da Fang Quan Zheng Jin Xin Zi Di 2014027179 Hao	99.49	Residential
7 Da Fang Quan Zheng Jin Xin Zi Di 2014027186 Hao	94.45	Residential
8 Da Fang Quan Zheng Jin Xin Zi Di 2014027187 Hao	99.49	Residential
9 Da Fang Quan Zheng Jin Xin Zi Di 2014027188 Hao	94.45	Residential
10 Da Fang Quan Zheng Jin Xin Zi Di 2014027193 Hao	99.49	Residential
11 Da Fang Quan Zheng Jin Xin Zi Di 2014027178 Hao	94.45	Residential
12 Da Fang Quan Zheng Jin Xin Zi Di 2014027191 Hao	94.45	Residential
13 Da Fang Quan Zheng Jin Xin Zi Di 2014027189 Hao	99.49	Residential
14 Da Fang Quan Zheng Jin Xin Zi Di 2014027195 Hao	94.45	Residential
15 Da Fang Quan Zheng Jin Xin Zi Di 2014027184 Hao	99.49	Residential
16 Da Fang Quan Zheng Jin Xin Zi Di 2014027181 Hao	99.49	Residential

- In the course of our valuation, we have assigned no commercial value to the property with a total gross floor area of approximately 188.90 sq. m. without obtaining relevant title document. For your reference purpose, the market value of property would be RMB307,000 as at the valuation date (equivalent to RMB156,000, 51% interests attributable to the Group) had the Group obtained the building ownership certificates of such portion of the property.

3. In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB8,500 to 9,000/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. Nisshin (Dalian) has not obtained the relevant State-owned Land Use Rights Certificate; and
 - ii. Nisshin (Dalian) has not obtained the building ownership certificate of units with a gross floor area of approximately 188.90 sq. m.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
30.	An industrial complex located at No. 5 Bohai 37 Road, Lingang Economical Zone, Binhai Xin District, Tianjin, PRC	<p>The property comprises a wharf and some ancillary structures with a total gross floor area of approximately 1,510.10 sq. m. erected upon a parcel of land with a total site area of approximately 14,570.20 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The land use rights of the property have been granted for a term expiring on 14 March 2060.</p>	As at the valuation date, the property was occupied by the Group for wharf use.	<p>RMB132,490,000</p> <p>(92.31% interests attributable to the Group: RMB122,301,519)</p>

Notes:

1. Pursuant to the Building Ownership Certificate No. Jin (2017) Bin Hai Xin Qu Lin Gang Jing Ji Qu Bu Dong Chan Quan Di 1000139 Hao, the land use rights of a parcel of land with a site area of approximately 14,570.20 sq. m. and the building ownership rights of the property with a gross floor area of approximately 1,510.10 sq. m. are vested in Tianjin Lingang Excel Joy Oils & Grains Terminal Co., Ltd. (天津臨港佳悅糧油碼頭有限公司) (“Tianjin Lingang Excel Joy Oils & Grains Terminal”), which is a 92.31% owned subsidiary of the Company, for a term expiring on 14 March 2060 for wharf/non-residential use.
2. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Tianjin Lingang Excel Joy Oils & Grains Terminal is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property is clear and complete. Lingang Excel Joy Oils & Grains Terminal is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - iii. the title of the structures of the property is clear and complete and Lingang Excel Joy Oils & Grains Terminal can dispose the structures together with the property; and
 - iv. the title of the dock is clear and complete and Lingang Excel Joy Oils & Grains Terminal can dispose the dock together with the property.
3. For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
31.	Various residential units located in Yangshe Zhen, Zhangjiagang City, Jiangsu Province, PRC	<p>The property comprises 6 residential units with a total gross floor area of approximately 1,270.44 sq. m. completed in 1996.</p> <p>The property is located in Yangshe Zhen of Zhangjiagang. The immediate locality comprises a mixture of residential and industrial building with various ages and heights.</p> <p>The land use rights of the property have been granted for a term expiring on 19 June 2068.</p>	As at the valuation date, the property was occupied by the Group for residential use.	<p>RMB3,810,000</p> <p>(54% interests attributable to the Group: RMB2,057,400)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 2,547.90 sq. m. have been granted to COFCO Eastocean Oils and Grains Industries (Zhangjiagang) Co., Ltd. (中糧東海糧油工業(張家港)有限公司) ("Eastocean Oils and Grains Industries (Zhangjiagang)"), which is a 54% owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1 Zhang Guo Yong (2010) Di 0032291 Hao	503.10	Residential	19 June 2068
2 Zhang Guo Yong (2010) Di 0032292 Hao	503.10	Residential	19 June 2068
3 Zhang Guo Yong (2010) Di 0032293 Hao	503.10	Residential	19 June 2068
4 Zhang Guo Yong (2010) Di 0032294 Hao	547.90	Residential	19 June 2068
5 Zhang Guo Yong (2010) Di 0032295 Hao	490.70	Residential	19 June 2068

- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 1,270.44 sq. m. is vested in Eastocean Oils and Grains Industries (Zhangjiagang). Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use	Issuance Date
1 Zhang Fang Quan Zheng Jin Zi Di 0000169508 Hao	209.97	Residential	22 September 2009
2 Zhang Fang Quan Zheng Jin Zi Di 0000169509 Hao	228.81	Residential	22 September 2009
3 Zhang Fang Quan Zheng Jin Zi Di 0000169510 Hao	201.75	Residential	22 September 2009
4 Zhang Fang Quan Zheng Jin Zi Di 0000169511 Hao	209.97	Residential	22 September 2009
5 Zhang Fang Quan Zheng Jin Zi Di 0000169512 Hao	209.97	Residential	22 September 2009
6 Zhang Fang Quan Zheng Jin Zi Di 0000169513 Hao	209.97	Residential	22 September 2009

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Eastocean Oils and Grains Industries (Zhangjiagang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - ii. the title of the building ownership rights of the property is clear and complete. Eastocean Oils and Grains Industries (Zhangjiagang) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.
4. In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB3,500 to 4,500/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
32.	An industrial complex located in Jingang Zhen, Zhangjiagang City, Jiangsu Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 275,092.26 sq. m. and some ancillary structures completed during the period of 1996 to 2014 erected upon a parcel of land with a total site area of approximately 796,924.20 sq. m.</p> <p>The property is located in Jiangang Zhen of Zhangjiagang. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 9,295.47 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for various terms expiring between 27 September 2043 and 24 August 2058.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB871,610,000</p> <p>(54% interests attributable to the Group: RMB470,669,400)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 796,924.20 sq. m. have been granted to COFCO Eastocean Oils and Grains Industries (Zhangjiagang) Co., Ltd. (中糧東海糧油工業(張家港)有限公司) ("Eastocean Oils and Grains Industries (Zhangjiagang)"), which is a 54% owned subsidiary of the Company. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use term Expiry Date
1	Zhang Guo Yong (2009) Di 0380044 Hao	302,791.00	Industrial	24 August 2058
2	Zhang Guo Yong (2010) Di 0360006 Hao	189,441.00	Industrial	27 February 2051
3	Zhang Guo Yong (2010) Di 0380007 Hao	87,206.90	Industrial	27 September 2043
4	Zhang Guo Yong (2010) Di 0380011 Hao	31,262.60	Industrial	24 August 2056
5	Zhang Guo Yong (2014) Di 0380015 Hao	184,053.20	Industrial	27 September 2043
6	Zhang Guo Yong (2014) Di 0081426 Hao	1,178.40	Residential	7 January 2051
7	Zhang Guo Yong (2014) Di 0081426 Hao	461.80	Residential	7 January 2051
8	Zhang Guo Yong (2014) Di 0061267 Hao	529.30	Residential	7 January 2051

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 275,092.26 sq. m. is vested in Eastocean Oils and Grains Industries (Zhangjiagang). Details of the said certificates are as follows:

Certificate No.		Gross Floor Area (sq. m.)	Use
1	Zhang Fang Quan Zheng Jin Zi Di 0000306033 Hao	1,046.00	Residential
2	Zhang Fang Quan Zheng Jin Zi Di 0000306032 Hao	1,046.00	Residential
3	Zhang Fang Quan Zheng Jin Zi Di 0000306031 Hao	755.00	Residential
4	Zhang Fang Quan Zheng Jin Zi Di 0000306030 Hao	604.00	Residential
5	Zhang Fang Quan Zheng Jin Zi Di 0000169492 Hao	5,407.39	Non-residential
6	Zhang Fang Quan Zheng Jin Zi Di 0000169490 Hao	18,585.58	Non-residential
7	Zhang Fang Quan Zheng Jin Zi Di 0000169491 Hao	9,024.79	Non-residential
8	Zhang Fang Quan Zheng Jin Zi Di 0000169500 Hao	12,985.74	Non-residential
9	Zhang Fang Quan Zheng Jin Zi Di 0000169493 Hao	27,238.81	Non-residential
10	Zhang Fang Quan Zheng Jin Zi Di 0000169496 Hao	5,104.86	Non-residential
11	Zhang Fang Quan Zheng Jin Zi Di 0000169497 Hao	20,097.66	Non-residential
12	Zhang Fang Quan Zheng Jin Zi Di 0000169499 Hao	24,901.59	Non-residential
13	Zhang Fang Quan Zheng Jin Zi Di 0000218522 Hao	626.85	Industrial
14	Zhang Fang Quan Zheng Jin Zi Di 0000218523 Hao	10,413.82	Industrial
15	Zhang Fang Quan Zheng Jin Zi Di 0000229752 Hao	3,177.71	Industrial
16	Zhang Fang Quan Zheng Jin Zi Di 0000229753 Hao	5,327.59	Industrial
17	Zhang Fang Quan Zheng Jin Zi Di 0000233894 Hao	24,605.13	Industrial
18	Zhang Fang Quan Zheng Jin Zi Di 0000233895 Hao	4,554.63	Industrial
19	Zhang Fang Quan Zheng Jin Zi Di 0000233896 Hao	137.59	Industrial
20	Zhang Fang Quan Zheng Jin Zi Di 0000268829 Hao	2,809.56	Industrial
21	Zhang Fang Quan Zheng Jin Zi Di 0000283476 Hao	11,739.10	Industrial
22	Zhang Fang Quan Zheng Jin Zi Di 0000283477 Hao	26,711.10	Industrial
23	Zhang Fang Quan Zheng Jin Zi Di 0000304776 Hao	3,376.09	Industrial
24	Zhang Fang Quan Zheng Jin Zi Di 0000347595 Hao	12,656.86	Industrial
25	Zhang Fang Quan Zheng Jin Zi Di 0000347596 Hao	28,556.90	Industrial
26	Zhang Fang Quan Zheng Jin Zi Di 0000169488 Hao	4,470.15	Non-residential
27	Zhang Fang Quan Zheng Jin Zi Di 0000169504 Hao	5,779.90	Non-residential
28	Zhang Fang Quan Zheng Jin Zi Di 0000169505 Hao	3,351.86	Non-residential

3. In the course of our valuation, we have assigned no commercial value to the buildings and structures with a total gross floor area of approximately 9,295.47 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB143,760,000 as at the valuation date (equivalent to RMB77,630,400, 54% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Eastocean Oils and Grains Industries (Zhangjiagang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - Eastocean Oils and Grains Industries (Zhangjiagang) has not obtained the relevant State-owned Land Use Rights Certificate and building ownership certificate for some of the buildings with a gross floor area of approximately 9,295.47 sq. m.; and
 - the title of the structures of the property is clear and complete and Eastocean Oils and Grains Industries (Zhangjiagang) can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
33.	Various residential units located at Damuqiao Road Taicang City Jiangsu Province PRC	<p>The property comprises 6 residential units with a total gross floor area of approximately 955.41 sq. m. completed in 1997.</p> <p>The immediate locality comprises a mixture of residential and industrial building of various ages and heights.</p> <p>The land use rights of the property have been granted for a term expiring on 19 June 2068.</p>	As at the valuation date, the property was occupied by the Group for residential use.	<p>RMB5,400,000</p> <p>(54% interests attributable to the Group: RMB2,916,000)</p>

Notes:

- Pursuant to two Building Ownership Certificates, the building ownership of the property is vested in COFCO Eastocean Oils and Grains Industries (Zhangjiagang) Co., Ltd. (中糧東海糧油工業(張家港)有限公司) ("Eastocean Oils and Grains Industries (Zhangjiagang)"), which is a 54% owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use
1 Hu Fang Di Xu Zi (2014)Di 001011 Hao	328.31	residential
2 Hu Fang Di Xu Zi (2014)Di 001012 Hao	627.10	residential

- We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. Eastocean Oils and Grains Industries (Zhangjiagang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - the title of the building ownership rights of the property is clear and complete. Eastocean Oils and Grains Industries (Zhangjiagang) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.
- In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB5,000 to 5,500/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.
- For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
34.	An industrial complex located at No. 39 Jiangang Road, Qinzhou Gang Economical Development District, Qinzhou City, Guangxi Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 97,572.69 sq. m. and some ancillary structures completed during the period of 2011–2015 and a wharf area of 53,333.00 sq. m. erected upon a parcel of land with a total site area of approximately 216,843.94 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 7,266.34 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for three terms expiring on 18 December 2047, 18 December 2048 and 16 November 2055 respectively.</p>	As at the valuation date, the property was occupied by the Group for industrial and wharf uses.	<p>RMB610,080,000</p> <p>(95.32% interests attributable to the Group: RMB581,528,256)</p> <p>(See Note 4)</p>

Notes:

- Pursuant to four State-owned Land Use Rights Certificates, the land use rights of the property with total site area of approximately 216,843.94 sq. m. has been granted to COFCO Oils (Qinzhou) Co., Ltd. (中糧油脂(欽州)有限公司) (“COFCO Oils (Qinzhou)”), which is a 95.32% owned subsidiary of the Company. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Qin Guo Yong (2009) Di D126 Hao	53,333.00	Wharf	18 December 2047
2	Qin Guo Yong (2009) Di D171 Hao	54,781.45	Warehouse	18 December 2048
3	Qin Guo Yong (2009) Di D172 Hao	29,965.17	Warehouse	18 December 2048
4	Qin Guo Yong (2013) Di D0229 Hao	78,764.32	Industrial	16 November 2055

- Pursuant to the Sea Area Use Certificate No. Guo Hai Zheng 114520003, the land use rights of the property with a total site area of approximately 11,960.00 sq. m. have been granted to COFCO Oils (Qinzhou) for a term expiring on 18 December 2047 for sea transportation and wharf uses.

3. Pursuant to various Building Ownership Certificates, the building ownership of the property with total gross floor area of approximately 97,572.69 sq. m. is vested in COFCO Oils (Qinzhou). Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use
1. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206800 Hao	1,057.50	Industrial
2. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206788 Hao	799.70	Industrial
3. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206810 Hao	492.30	Industrial
4. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206812 Hao	3,990.41	Industrial
5. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206799 Hao	3,537.44	Industrial
6. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206818 Hao	3,891.98	Industrial
7. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206817 Hao	3,719.73	Industrial
8. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206802 Hao	1,119.25	Industrial
9. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206790 Hao	88.73	Industrial
10. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206816 Hao	1,316.70	Industrial
11. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206793 Hao	6,021.55	Industrial
12. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206815 Hao	1,830.76	Industrial
13. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206814 Hao	83.66	Industrial
14. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206792 Hao	18,066.53	Industrial
15. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206811 Hao	432.92	Industrial
16. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206795 Hao	5,576.15	Industrial
17. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201206791 Hao	10,314.40	Industrial
18. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201304306 Hao	634.61	Industrial
19. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201304307 Hao	1,039.55	Industrial
20. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201304309 Hao	808.35	Industrial
21. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201304310 Hao	276.81	Industrial
22. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201309382 Hao	2,972.10	Industrial
23. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201309385 Hao	3,966.43	Industrial
24. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201309386 Hao	9,763.86	Industrial
25. Qin Fang Quan Zheng Qin Gang Qu Zi Di 201309387 Hao	9,788.76	Industrial
26. Qin Fang Quan Zheng Cheng Qu Zi Di 201600254 Hao	55.06	Residential
27. Qin Fang Quan Zheng Cheng Qu Zi Di 201600251 Hao	55.06	Residential
28. Qin Fang Quan Zheng Cheng Qu Zi Di 201600255 Hao	55.06	Residential
29. Qin Fang Quan Zheng Cheng Qu Zi Di 201600253 Hao	52.83	Residential
30. Qin Fang Quan Zheng Cheng Qu Zi Di 201600252 Hao	52.73	Residential
31. Qin Fang Quan Zheng Cheng Qu Zi Di 201600309 Hao	52.83	Residential
32. Qin Fang Quan Zheng Cheng Qu Zi Di 201600306 Hao	52.83	Residential
33. Qin Fang Quan Zheng Cheng Qu Zi Di 201600308 Hao	52.83	Residential
34. Qin Fang Quan Zheng Cheng Qu Zi Di 201600305 Hao	52.83	Residential
35. Qin Fang Quan Zheng Cheng Qu Zi Di 201600248 Hao	52.68	Residential
36. Qin Fang Quan Zheng Cheng Qu Zi Di 201600250 Hao	52.68	Residential
37. Qin Fang Quan Zheng Cheng Qu Zi Di 201600249 Hao	52.78	Residential
38. Qin Fang Quan Zheng Cheng Qu Zi Di 201600243 Hao	52.78	Residential
39. Qin Fang Quan Zheng Cheng Qu Zi Di 201600241 Hao	52.75	Residential
40. Qin Fang Quan Zheng Cheng Qu Zi Di 201600237 Hao	52.75	Residential
41. Qin Fang Quan Zheng Cheng Qu Zi Di 201600236 Hao	52.75	Residential
42. Qin Fang Quan Zheng Cheng Qu Zi Di 201600234 Hao	52.75	Residential
43. Qin Fang Quan Zheng Cheng Qu Zi Di 201600242 Hao	52.75	Residential
44. Qin Fang Quan Zheng Cheng Qu Zi Di 201600263 Hao	52.75	Residential
45. Qin Fang Quan Zheng Cheng Qu Zi Di 201600265 Hao	52.75	Residential
46. Qin Fang Quan Zheng Cheng Qu Zi Di 201600266 Hao	52.75	Residential
47. Qin Fang Quan Zheng Cheng Qu Zi Di 201600314 Hao	52.75	Residential
48. Qin Fang Quan Zheng Cheng Qu Zi Di 201600313 Hao	52.75	Residential
49. Qin Fang Quan Zheng Cheng Qu Zi Di 201600261 Hao	52.02	Residential

Certificate No.		Gross Floor Area (sq. m.)	Use
50.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600258 Hao	51.81	Residential
51.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600264 Hao	51.91	Residential
52.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600262 Hao	51.91	Residential
53.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600259 Hao	52.02	Residential
54.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600257 Hao	52.02	Residential
55.	Qin Fang Quan Zheng Cheng Qu Zi Di 201601029 Hao	51.82	Residential
56.	Qin Fang Quan Zheng Cheng Qu Zi Di 201601031 Hao	51.82	Residential
57.	Qin Fang Quan Zheng Cheng Qu Zi Di 201601026 Hao	51.82	Residential
58.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600330 Hao	53.89	Residential
59.	Qin Fang Quan Zheng Cheng Qu Zi Di 201601030 Hao	51.82	Residential
60.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600285 Hao	52.02	Residential
61.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600320 Hao	52.02	Residential
62.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600331 Hao	51.81	Residential
63.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600321 Hao	53.89	Residential
64.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600328 Hao	51.81	Residential
65.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600286 Hao	52.02	Residential
66.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600282 Hao	52.02	Residential
67.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600268 Hao	51.82	Residential
68.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600287 Hao	51.82	Residential
69.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600270 Hao	51.82	Residential
70.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600289 Hao	52.02	Residential
71.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600323 Hao	51.81	Residential
72.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600290 Hao	51.91	Residential
73.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600267 Hao	52.02	Residential
74.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600297 Hao	51.82	Residential
75.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600299 Hao	51.82	Residential
76.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600296 Hao	51.82	Residential
77.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600292 Hao	51.82	Residential
78.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600326 Hao	53.78	Residential
79.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600294 Hao	51.82	Residential
80.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600301 Hao	52.02	Residential
81.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600328 Hao	51.81	Residential
82.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600303 Hao	51.91	Residential
83.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600291 Hao	52.02	Residential
84.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600318 Hao	51.91	Residential
85.	Qin Fang Quan Zheng Cheng Qu Zi Di 201600316 Hao	51.82	Residential
86.	Qin Fang Quan Zheng Cheng Qu Zi Di 201406765 Hao	89.93	Residential
87.	Qin Fang Quan Zheng Cheng Qu Zi Di 201402900 Hao	89.93	Residential
88.	Qin Fang Quan Zheng Cheng Qu Zi Di 201402901 Hao	89.93	Residential
89.	Qin Fang Quan Zheng Cheng Qu Zi Di 201406771 Hao	89.93	Residential
90.	Qin Fang Quan Zheng Cheng Qu Zi Di 201413089 Hao	89.93	Residential
91.	Qin Fang Quan Zheng Cheng Qu Zi Di 201413090 Hao	126.97	Residential
92.	Qin Fang Quan Zheng Cheng Qu Zi Di 201406763 Hao	89.85	Residential
93.	Qin Fang Quan Zheng Cheng Qu Zi Di 201413087 Hao	89.85	Residential
94.	Qin Fang Quan Zheng Cheng Qu Zi Di 201413086 Hao	89.85	Residential
95.	Qin Fang Quan Zheng Cheng Qu Zi Di 201413088 Hao	89.85	Residential
96.	Qin Fang Quan Zheng Cheng Qu Zi Di 201307376 Hao	144.96	Residential
97.	Qin Fang Quan Zheng Cheng Qu Zi Di 201413083 Hao	128.43	Residential
98.	Qin Fang Quan Zheng Cheng Qu Zi Di 201413084 Hao	128.43	Residential
99.	Qin Fang Quan Zheng Cheng Qu Zi Di 201413085 Hao	128.43	Residential
100.	Qin Fang Quan Zheng Cheng Qu Zi Di 201406758 Hao	128.15	Residential
101.	Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209510 Hao	73.57	Residential
102.	Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209490 Hao	72.81	Residential

Certificate No.	Gross Floor Area (sq. m.)	Use
103. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209489 Hao	72.81	Residential
104. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209486 Hao	72.81	Residential
105. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209511 Hao	73.85	Residential
106. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209559 Hao	83.97	Residential
107. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209558 Hao	73.85	Residential
108. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209557 Hao	73.57	Residential
109. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209492 Hao	73.57	Residential
110. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209513 Hao	72.81	Residential
111. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209514 Hao	73.57	Residential
112. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209556 Hao	72.81	Residential
113. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209554 Hao	73.57	Residential
114. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209555 Hao	72.81	Residential
115. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209495 Hao	83.97	Residential
116. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209496 Hao	73.85	Residential
117. Qin Fang Quan Zheng Qin Geng Qu Zi Di 201209509 Hao	72.81	Residential
4. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 7,266.34 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB34,216,000 as at the valuation date (equivalent to RMB32,614,691, 95.32% interests attributable to the Group).		
5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:		
i. the title of the land use rights of the property is clear and complete. COFCO Oils (Qinzhou) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;		
ii. COFCO Oils (Qinzhou) has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 7,266.34 sq. m.;		
iii. COFCO Oils (Qinzhou) has not obtained the relevant building ownership certificate for some of structures; and		
iv. COFCO Oils (Qinzhou) has obtained the relevant land use rights for the wharf.		
6. In undertaking our valuation of the property, we have made reference to various sales of comparable properties which have characteristics comparable to the property. The unit prices of these comparable properties range from about RMB3,000 to 4,500/sq m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.		
7. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.		

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
35.	An industrial complex located at No. 8 Xinsha Park Road, Machong Zhen, Dongguan City, Guangdong Province, PRC	<p>Portion of the property comprises various buildings with a total gross floor area of approximately 107,575.52 sq. m. and some ancillary structures completed in 2016 erected upon a parcel of land with a site area of approximately 338,296.97 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, the abovementioned buildings and structures were constructed without obtaining relevant construction permits and title documents.</p> <p>The remaining portion of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in April 2020. As advised by the Group, upon completion, the CIP will comprise a workshop and warehouse with a planned gross floor area of approximately 101,542.23 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 2 August 2065.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB556,070,000</p> <p>(100% interests attributable to the Group: RMB556,070,000)</p> <p>(See Note 2)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate No. Dong Fu Guo Yong (2015) Di Te 96, the land use rights of the property with a total site area of approximately 338,296.97 sq. m. have been granted to COFCO (Dongguan) Oils & Grains Industries Co., Ltd. (中糧(東莞)糧油工業有限公司) (“COFCO (Dongguan) Oils & Grains Industries”), which is a wholly-owned subsidiary of the Company, for a term expiring on 2 August 2065 for warehouse use.
- In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 107,575.52 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB348,656,000 as at the valuation date (equivalent to RMB348,656,000, 100% interests attributable to the Group).

3. Pursuant to the Construction Land Planning Permit – No. Di Zi Di 2015-06-0003, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 14,465.51 sq. m. for development.
4. Pursuant to the Construction Works Planning Permit – No. Jian Zi Di 2019-06-1021, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 14,465.51 sq. m. for development.
5. Pursuant to Construction Works Commencement Permit – No.441900201909160301, the construction works of the property is approved for commencement.
6. Pursuant to the Construction Land Planning Permit – No. Di Zi Di 2015-06-0003, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 6,043.62 sq. m. for development.
7. Pursuant to Construction Works Planning Permit – No. Jian Zi Di 2019-06-1022, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 6,043.62 sq. m. for development.
8. Pursuant to Construction Works Planning Permit – No.441900201909160401, the construction works of the property is approved for commencement.
9. Pursuant to Construction Land Planning Permit – No. Di Zi Di 2015-06-0004, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 6,944.44 sq. m. for development.
10. Pursuant to Construction Works Planning Permit – No. Di Zi Di 2015-06-0004, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 6,944.44 sq. m. for development.
11. Pursuant to Construction Works Commencement Permit – No.441900201911111801, the construction works of the property is approved for commencement.
12. Pursuant to Construction Land Planning Permit – No. Di Zi Di 2015-06-0004, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land for development.
13. Pursuant to Construction Works Planning Permit – No. Jian Zi Di 2019-06-1019, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land for development.
14. Pursuant to the Construction Works Commencement Permit – No.441900201911111901, the construction works of the property is approved for commencement.
15. Pursuant to Construction Land Planning Permit – No. Di Zi Di 2015-06-0005, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land for development.
16. Pursuant to Construction Works Planning Permit – No. Jian Zi Di 2019-06-1018, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land for development.
17. Pursuant to the Construction Works Planning Permit – No.441900201911121001, the construction works of the property is approved for commencement.
18. Pursuant to Construction Land Planning Permit – No. Di Zi Di 2015-06-0006, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land for development.
19. Pursuant to Construction Works Planning Permit – No. Jian Zi Di 2019-06-1020, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land for development.
20. Pursuant to Construction Works Planning Permit – No.441900201311130101, the construction works of the property is approved for commencement.
21. Pursuant to Construction Land Planning Permit – No. Di Zi Di 2015-06-0003, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 40,609.06 sq. m. for development.

22. Pursuant to Construction Works Planning Permit – No. Jian Zi Di 2018-06-1056, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 40,609.06 sq. m. for development.
23. Pursuant to Construction Works Commencement Permit – No.441900201811120501, the construction works of the property is approved for commencement.
24. Pursuant to Construction Land Planning Permit – No. Di Zi Di 2015-06-0003, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 14,989.18 sq. m. for development.
25. Pursuant to Construction Works Planning Permit – No. Jian Zi Di 2018-06-1057, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 14,989.18 sq. m. for development.
26. Pursuant to Construction Works Commencement Permit – No.441900201811120601, the construction works of the property is approved for commencement.
27. Pursuant to Construction Land Planning Permit – No. Di Zi Di 2015-06-0003, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 8,286.91 sq. m. for development.
28. Pursuant to Construction Works Planning Permit – No. Jian Zi Di 2018-06-1058, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 8,286.91 sq. m. for development.
29. Pursuant to Construction Works Commencement Permit – No.441900201811120701, the construction works of the property is approved for commencement.
30. Pursuant to Construction Land Planning Permit – No. Di Zi Di 2015-06-0003, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 10,203.51 sq. m. for development.
31. Pursuant to Construction Works Planning Permit – No. Jian Zi Di 2018-06-1070, COFCO (Dongguan) Oils & Grains Industries is permitted to use a parcel of land with a total site area of 10,203.51 sq. m. for development.
32. Pursuant to Construction Works Commencement Permit – No.44190020181030701, the construction works of the property is approved for commencement.
33. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB387,553,000, of which approximately RMB136,790,000 has been paid up to the valuation date.
34. The market value of the CIP of the property as if completed as at date of valuation is estimated to be RMB428,590,000 (equivalent to RMB428,590,000, 100% interests attributable to the Group).
35. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. COFCO (Dongguan) Oils & Grains Industries is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. COFCO (Dongguan) Oils & Grains Industries has not obtained the relevant building ownership certificate for some of the buildings with a gross floor area of approximately 107,575.52 sq. m.;
 - iii. the title of the structures of the Property is clear and complete and COFCO (Dongguan) Oils & Grains Industries can dispose the structures together with the property; and
 - iv. COFCO (Dongguan) Oils & Grains Industries has obtained all relevant construction permits for the under construction portion.

36. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB378,240,000	100%	RMB378,240,000
Group III – held by the Group under development	RMB177,830,000	100%	RMB177,830,000
	<hr/>		<hr/>
	<u>RMB556,070,000</u>		<u>RMB556,070,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
36.	An industrial complex located at No. 95 Yanjiang Road North, Xingang Industrial Park, Jiujiang City, Jiangxi Province, PRC	<p>Portion of the property comprises various buildings with a total gross floor area of approximately 62,953.94 sq. m. and some ancillary structures completed in 2011 erected upon a parcel of land with a total site area of approximately 294,461.28 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some ancillary structures that were constructed without obtaining relevant construction permits and title documents.</p> <p>The remaining portion of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in December 2019. As advised by the Group, upon completion, the CIP will comprise a warehouse with a planned gross floor area of approximately 609.00 sq. m.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for terms expiring on 20 September 2057, 26 October 2060 and 24 December 2063 respectively.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB246,780,000</p> <p>(100% interests attributable to the Group: RMB246,780,000)</p> <p>(See Note 4)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 294,461.28 sq. m. have been granted to COFCO Oils and Grains Industries (Jiujiang) Co., Ltd. (中糧糧油工業(九江)有限公司) (“COFCO Oils & Grains Industries (Jiujiang)”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1 Jiu Cheng Guo Yong (2011) Di 023 Hao	8,979.00	Industrial	26 October 2060
2 Jiu Cheng Guo Yong (2011) Di 024 Hao	78,106.67	Industrial	26 October 2060
3 Jiu Cheng Guo Yong (2011) Di 131 Hao	50,113.71	Industrial	20 September 2057
4 Gan (2017) Jiu Jiang Shi Bu Dong Chan Quan Di 0045085 Hao	157,261.90	Industrial	24 December 2063

- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 62,953.94 sq. m. is vested in COFCO Oils & Grains Industries (Jiujiang). Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use
1 Jiu Fang Quan Zheng Lu Zi Di 1000161753 Hao	2,662.15	Industrial
2 Jiu Fang Quan Zheng Lu Zi Di 1000161754 Hao	787.36	Industrial
3 Jiu Fang Quan Zheng Lu Zi Di 1000161755 Hao	3,123.59	Industrial
4 Jiu Fang Quan Zheng Lu Zi Di 1000161756 Hao	851.16	Industrial
5 Jiu Fang Quan Zheng Lu Zi Di 1000161757 Hao	51.90	Industrial
6 Jiu Fang Quan Zheng Lu Zi Di 1000161758 Hao	4,450.13	Industrial
7 Jiu Fang Quan Zheng Lu Zi Di 1000161759 Hao	122.86	Industrial
8 Jiu Fang Quan Zheng Lu Zi Di 1000161760 Hao	26.46	Industrial
9 Jiu Fang Quan Zheng Lu Zi Di 1000161761 Hao	4,634.15	Industrial
10 Jiu Fang Quan Zheng Lu Zi Di 1000161762 Hao	150.30	Industrial
11 Jiu Fang Quan Zheng Lu Zi Di 1000161763 Hao	1,095.00	Industrial
12 Jiu Fang Quan Zheng Lu Zi Di 1000161764 Hao	5,587.08	Industrial
13 Jiu Fang Quan Zheng Lu Zi Di 1000161765 Hao	2,209.10	Industrial
14 Jiu Fang Quan Zheng Lu Zi Di 1000161766 Hao	3,113.36	Industrial
15 Jiu Fang Quan Zheng Lu Zi Di 1000161767 Hao	6,476.16	Industrial
16 Jiu Fang Quan Zheng Lu Zi Di 1000161768 Hao	2,501.43	Industrial
17 Jiu Fang Quan Zheng Lu Zi Di 1000161769 Hao	4,608.23	Industrial
18 Jiu Fang Quan Zheng Lu Zi Di 1000161770 Hao	4,879.58	Industrial
19 Jiu Fang Quan Zheng Lu Zi Di 1000161771 Hao	39.18	Industrial
20 Jiu Fang Quan Zheng Lu Zi Di 1000161772 Hao	673.70	Industrial
21 Jiu Fang Quan Lu Xun Zi Di 1000133118 Hao	2,816.56	Industrial
22 Jiu Fang Quan Lu Xun Zi Di 1000133119 Hao	1,081.96	Industrial
23 Jiu Fang Quan Lu Xun Zi Di 1000133120 Hao	1,759.84	Industrial
24 Jiu Fang Quan Lu Xun Zi Di 1000133121 Hao	6,581.53	Industrial
25 Jiu Fang Quan Lu Xun Zi Di 1000133122 Hao	51.84	Industrial
26 Jiu Fang Quan Lu Xun Zi Di 1000133123 Hao	2,309.00	Industrial
27 Jiu Fang Quan Lu Xun Zi Di 1000133124 Hao	37.74	Industrial
28 Jiu Fang Quan Lu Xun Zi Di 1000133125 Hao	185.87	Industrial
29 Jiu Fang Quan Lu Xun Zi Di 1000133126 Hao	86.72	Industrial

- As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB1,320,000, of which approximately RMB490,000 has been paid up to the valuation date.

4. In the course of our valuation, we have assigned no commercial value to the structures and CIP with a total gross floor area of approximately 609.00 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the buildings and CIP of the property was RMB14,390,000 as at the valuation date. (equivalent to RMB14,390,000, 100% interests attributable to the Group).
5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. COFCO Oils & Grains Industries (Jiujiang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. COFCO Oils & Grains Industries (Jiujiang) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - COFCO Oils & Grains Industries (Jiujiang) has not obtained the relevant State-owned Land Use Rights Certificate and building ownership certificate for some of the structures; and
 - COFCO Oils & Grains Industries (Jiujiang) has not obtained the relevant construction permits for the under construction portion.
6. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB246,780,000	100%	RMB246,780,000
Group III – held by the Group under development	No commercial value	100%	No commercial value
	<u>RMB246,780,000</u>		<u>RMB246,780,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
37.	An industrial complex located in Jinshawan Industrial Park, Hukou County, Jiujiang City, Jiangxi Province, PRC	<p>Portion of the property comprises various buildings with a total gross floor area of approximately 28,853.42 and some ancillary structures completed during the period 2008 to 2014 erected upon parcels of land with a total site area of approximately 155,014.08 sq. m.</p> <p>The property is located in Jinshawan Industrial Park. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The remaining portion of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a warehouse with a planned gross floor area of approximately 9,405.02 sq. m.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permit and title documents.</p> <p>The land use rights of the property have been granted for terms expiring on 12 October 2058, 22 March 2060 and 6 January 2062 respectively.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB65,730,000</p> <p>(51% interests attributable to the Group: RMB33,522,300)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of the property with total site area of approximately 155,014.08 sq. m. have been granted to Jiujiang Lishan Environmental Protection Co., Ltd. (九江力山环保科技有限公司) (“Jiujiang Lishan Environmental Protection Technology”), which is a 51% owned subsidiary of the Company. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Hu Guo Yong (2008) Di 0429 Hao	12,058.51	Industrial	12 October 2058
2	Hu Guo Yong (2008) Di 0428 Hao	19,961.41	Industrial	12 October 2058
3	Hu Guo Yong (2010) Di 0038 Hao	53,333.00	Industrial	22 March 2060

Certificate No.		Site Area (sq. m.)	Use	Land Use Term Expiry Date
4	Hu Guo Yong (2012) Di 0001 Hao	69,661.16	Industrial	6 January 2062
2.	Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 28,853.42 sq. m. is vested in Jiujiang Lishan Environmental Protection Technology. Details of the said certificates are as follows:			

Certificate No.		Gross Floor Area (sq. m.)	Use
1	Hu Fang Quan Zheng Gong Zi Di 105012 Hao	100.86	Industrial
2	Hu Fang Quan Zheng Gong Zi Di 105013 Hao	109.98	Industrial
3	Hu Fang Quan Zheng Gong Zi Di 105025 Hao	87.86	Industrial
4	Hu Fang Quan Zheng Zi Di 20140646 Hao	416.44	Industrial
5	Hu Fang Quan Zheng Zi Di 20140647 Hao	1,018.94	Industrial
6	Hu Fang Quan Zheng Gong Zi Di 083173 Hao	590.46	Industrial
7	Hu Fang Quan Zheng Gong Zi Di 083174 Hao	357.56	Industrial
8	Hu Fang Quan Zheng Gong Zi Di 083175 Hao	181.83	Industrial
9	Hu Fang Quan Zheng Gong Zi Di 083176 Hao	1,730.56	Industrial
10	Hu Fang Quan Zheng Gong Zi Di 083177 Hao	1,158.89	Industrial
11	Hu Fang Quan Zheng Gong Zi Di 105009 Hao	965.15	Industrial
12	Hu Fang Quan Zheng Gong Zi Di 105017 Hao	55.84	Industrial
13	Hu Fang Quan Zheng Gong Zi Di 105021 Hao	88.86	Industrial
14	Hu Fang Quan Zheng Gong Zi Di 105026 Hao	78.81	Industrial
15	Hu Fang Quan Zheng Zi Di D12020079 Hao	181.44	Industrial
16	Hu Fang Quan Zheng Gong Zi Di 105008 Hao	14.89	Industrial
17	Hu Fang Quan Zheng Gong Zi Di 105018 Hao	82.62	Industrial
18	Hu Fang Quan Zheng Gong Zi Di 105019 Hao	149.69	Industrial
19	Hu Fang Quan Zheng Gong Zi Di 105024 Hao	29.38	Industrial
20	Hu Fang Quan Zheng Gong Zi Di 105027 Hao	94.60	Industrial
21	Hu Fang Quan Zheng Zi Di D12020077 Hao	194.34	Industrial
22	Hu Fang Quan Zheng Gong Zi Di 105005 Hao	681.45	Industrial
23	Hu Fang Quan Zheng Gong Zi Di 105006 Hao	832.60	Industrial
24	Hu Fang Quan Zheng Gong Zi Di 105010 Hao	128.10	Industrial
25	Hu Fang Quan Zheng Gong Zi Di 105011 Hao	20.52	Industrial
26	Hu Fang Quan Zheng Gong Zi Di 105014 Hao	2,801.91	Industrial
27	Hu Fang Quan Zheng Gong Zi Di 105015 Hao	20.10	Industrial
28	Hu Fang Quan Zheng Gong Zi Di 105020 Hao	17.50	Industrial
29	Hu Fang Quan Zheng Gong Zi Di 105007 Hao	1,325.04	Industrial
30	Hu Fang Quan Zheng Gong Zi Di 105022 Hao	678.79	Industrial
31	Hu Fang Quan Zheng Gong Zi Di 105023 Hao	750.47	Industrial
32	Hu Fang Quan Zheng Gong Zi Di 105028 Hao	537.16	Industrial
33	Hu Fang Quan Zheng Gong Zi Di D10020011 Hao	974.59	Industrial
34	Hu Fang Quan Zheng Gong Zi Di D10020012 Hao	2,655.57	Industrial
35	Hu Fang Quan Zheng Gong Zi Di D12020080 Hao	994.25	Industrial
36	Hu Fang Quan Zheng Zi Di 20130472 Hao	1,937.64	Industrial
37	Hu Fang Quan Zheng Zi Di 20130477 Hao	1,194.16	Industrial
38	Hu Fang Quan Zheng Gong Zi Di 105016 Hao	322.74	Industrial
39	Hu Fang Quan Zheng Zi Di 20130473 Hao	277.98	Industrial
40	Hu Fang Quan Zheng Zi Di 20130474 Hao	17.83	Industrial
41	Hu Fang Quan Zheng Zi Di 20130475 Hao	71.48	Industrial
42	Hu Fang Quan Zheng Zi Di 20130476 Hao	58.34	Industrial
43	Hu Fang Quan Zheng Zi Di 20130478 Hao	973.64	Industrial

- | Certificate No. | Gross Floor Area
(sq. m.) | Use |
|--|------------------------------|------------|
| 44 Hu Fang Quan Zheng Zi Di 20130479 Hao | 973.64 | Industrial |
| 45 Hu Fang Quan Zheng Zi Di 20130480 Hao | 973.64 | Industrial |
| 46 Hu Fang Quan Zheng Zi Di 20130481 Hao | 973.64 | Industrial |
| 47 Hu Fang Quan Zheng Zi Di 20130480 Hao | 973.64 | Industrial |
- As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB23,278,127, of which approximately RMB23,278,000 has been paid up to the valuation date.
 - In the course of our valuation, we have assigned no commercial value to the CIP of the property with a total gross floor area of approximately 9,405.02 sq. m, which was constructed without relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the property was RMB23,278,000 as at the valuation date (equivalent to RMB11,871,780, 51% interests attributable to the Group).
 - We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. Jiujiang Lishan Environmental Protection Technology is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Jiujiang Lishan Environmental Protection Technology is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - the titles of the land use rights and building ownership rights of the structure are clear and complete. Jiujiang Lishan Environmental Protection Technology is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - Jiujiang Lishan Environmental Protection Technology has not obtained the relevant construction permits for the under construction portion.
 - For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB65,730,000	51%	RMB33,522,300
Group III – held by the Group under development	No commercial value	51%	No commercial value
	<u>RMB65,730,000</u>		<u>RMB33,522,300</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
38.	An industrial complex located at No. 1 Xihuan Road, Zhongxiang Economical Development District, Jingmen City, Hubei Province, PRC	<p>The property comprises various buildings with a total gross floor area of approximately 55,879.87 sq. m. and some ancillary structures completed during the period of 2001–2014 and erected upon a parcel of land with a site area of approximately 235,120.30 sq. m.</p> <p>The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The land use rights of the property have been granted for terms expiring on 11 January 2055, 6 July 2055 and 24 April 2056 respectively.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB134,340,000</p> <p>(100% interests attributable to the Group: RMB134,340,000)</p>

Notes:

- Pursuant to three State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 235,120.30 sq. m. have been granted to COFCO Xiangrui Cereal & Oil Industry (Jingmen) Co., Ltd. (中糧祥瑞糧油工業(荊門)有限公司) (“Xiangrui Cereal & Oil Industry (Jingmen)”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1 Zhong Guo Yong (2005) Di 2005-97-1 Hao	33,229.30	Comprehensive	6 July 2055
2 Zhong Guo Yong (2006) Di 2003-105-1 Hao	65,557.30	Industrial	24 April 2056
3 Zhong Guo Yong (2005) Di 2000-651-1-1-1 Hao	136,333.70	Industrial	11 January 2055

- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 55,879.87 sq. m. is vested in Xiangrui Cereal & Oil Industry (Jingmen). Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use
1 Zhong Fang Quan Zheng Ying Zhong Zi Di 200500622 Hao	23,513.84	Comprehensive
2 Zhong Fang Quan Zheng Ying Zhong Zi Di 200600324 Hao	10,808.31	Comprehensive
3 Zhong Fang Quan Zheng Ying Zhong Zi Di 201409911 Hao	1,395.00	Industrial
4 Zhong Fang Quan Zheng Ying Zhong Zi Di 201409914 Hao	3,766.92	Dormitory
5 Zhong Fang Quan Zheng Ying Zhong Zi Di 201409912 Hao	14,135.00	Industrial
6 Zhong Fang Quan Zheng Ying Zhong Zi Di 201409913 Hao	2,260.80	Industrial

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Xiangrui Cereal & Oil Industry (Jingmen) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property is clear and complete. Xiangrui Cereal & Oil Industry (Jingmen) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property; and
 - iii. the titles of the land use rights and building ownership rights of the structure are clear and complete. Xiangrui Cereal & Oil Industry (Jingmen) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
39.	An industrial complex located at Biomedical Base, 21 Yongda Road, Daxing District, Beijing, PRC	<p>The property comprises a parcel of land with a site area of approximately 33,712.04 sq. m.</p> <p>The property is located in Daxing District of Beijing. The immediate locality is a residential area and is predominated by commercial and residential buildings of various ages and heights.</p> <p>As advised by the Group, the property comprises various buildings with a total gross floor area of approximately 13,088.69 sq. m. which were completed during the period of 2007–2016 and were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 2 September 2062 for Industrial use.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB40,500,000</p> <p>(51% interests attributable to the Group: RMB20,655,000)</p> <p>(See Note 2)</p>

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate – No. Jing Xing Guo Yong (2012 Chu) Di 00159, the land use rights of a parcel of land with a site area of approximately 33,712.04 sq. m. have been granted to COFCO TTC (Beijing) Foods Co., Ltd. (中糧豐通(北京)食品有限公司) (“TTC (Beijing) Foods”), which is a 51% owned subsidiary of the Company, for a term expiring on 2 September 2062 for industrial use.
2. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 13,088.69 sq. m., which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB29,773,900 as at the valuation date (equivalent to RMB15,184,689, 51% interests attributable to the Group).
3. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. TTC (Beijing) Foods is entitled to transfer, let, mortgage or by other legal mean dispose of those rights of the property; and
 - ii. TTC (Beijing) Foods has not obtained the relevant building ownership certificate for the buildings with a gross floor area of approximately 13,088.69 sq. m..
4. For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
40.	An industrial complex located at No. 1 Zhongliang Road, Area Eight of Jiaogang Village, Funing Economical Development Zone, Funing County, Yancheng, Jiangsu Province, PRC	<p>The property comprises two parcels of land with a total site area of approximately 317,962.20 sq. m.</p> <p>The property is located in Funing County of Yancheng. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 53,479.47 sq. m. and some ancillary structures which were completed during the period of 2011–2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 460.75 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property.</p> <p>The land use rights of the property have been granted for terms expiring on 10 October 2063 and 12 September 2061 respectively for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use.</p>	<p>RMB234,640,000</p> <p>(89.23% interests attributable to the Group: RMB209,369,272 (See Notes 3 and 4)</p>

Notes:

- Pursuant to the Building Ownership Certificate – No. Su (2017) Fu Ning Xian Bu Dong Chan Quan Zheng Di 0010642, the building ownership rights of the property with a total gross floor area of approximately 49,795.83 sq. m. together with the correspondingly land use rights of a parcel of land with a site area of approximately 266,671.00 sq. m. are vested in COFCO Rice (Yancheng) Co., Ltd (中糧米業(鹽城)有限公司) (“Zhongliang Miye Yancheng”), which is a 89.23% owned subsidiary of the Company, for a term expiring on 12 September 2061 for industrial use.
- Pursuant to the Building Ownership Certificate – No. Su (2017) Fu Ning Xian Bu Dong Chan Quan Zheng Di 0010641, the building ownership of the property with a total gross floor area of approximately 3,683.64 sq. m. together with the correspondingly land use rights of a parcel of land with a site area of approximately 51,291.20 sq. m. are vested in Zhongliang Miye Yancheng for a term expiring on 10 October 2063 for industrial use.

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 460.75 sq. m., which were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property. For your reference purpose, the depreciated replacement cost of those buildings was RMB1,430,100 as at the valuation date (equivalent to RMB1,276,078, 89.23% interests attributable to the Group).
4. In the course of our valuation, we have assigned no commercial value to structures which were constructed without obtaining relevant title documents and were built outside the land of the property. For your reference purpose, the depreciated replacement cost of those structures was RMB24,820,000 as at the valuation date (equivalent to RMB22,146,886, 89.23% interests attributable to the Group).
5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal advisor, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Zhongliang Miye Yancheng is entitled to transfer, let, mortgage or by other legal mean dispose of those rights of the property;
 - ii. the title of the building ownership rights of the property stated in Notes 1 and 2 are clear and complete. Zhongliang Miye Yancheng is entitled to transfer, let, mortgage or by other legal mean dispose of those rights of the property;
 - iii. Zhongliang Miye Yancheng has not obtained the relevant building ownership certificate for the buildings built outside the land of the property with a total gross floor area of approximately 460.75 sq. m.;
 - iv. the title of the structures of the property built inside the land of the property is clear and complete. Zhongliang Miye Yancheng can dispose the structures together with the property; and
 - v. Zhongliang Miye Yancheng has not obtained the relevant title documents for structures built outside the land of the property stated in Note 4.
6. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
41.	An industrial complex located at No.1 Xiaoshan Road, Jiangyin, Wuxi, Jiangsu Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 151,910.00 sq. m.</p> <p>The property is located in Jiangyin of Wuxi. The immediate locality is a commercial area and is predominated by commercial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 46,462.84 sq. m. and some ancillary structures which were completed during the period of 2004–2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 10,847.82 sq. m. and a wharf that were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property.</p> <p>The land use rights of the property have been granted for a term expiring on 28 October 2054 for industrial use.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB295,450,000</p> <p>(100% interests attributable to the Group: RMB295,450,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Cheng Tu Guo Yong (2016) Di 18038, the land use rights of a parcel of land with a site area of approximately 151,910.00 sq. m. have been granted to COFCO Malt (Jiangyin) Co., Ltd. (中糧麥芽(江陰)有限公司) (“Zhongliang Malt Jiangyin”), which is a wholly owned subsidiary of the Company, for a term expiring on 28 October 2054 for industrial use.
- Pursuant to the Building Ownership Certificate – No. Su (2017) Jiang Yin Shi Bu Dong Chan Quan Zheng Di 0018058, the building ownership of the property with a total gross floor area of approximately 46,462.84 sq. m. is vested in Zhongliang Malt Jiangyin.
- In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 10,847.82 sq. m., and a wharf which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB28,400,000 as at the valuation date (equivalent to RMB28,400,000, 100% interests attributable to the Group).

4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Zhongliang Malt Jiangyin is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property stated in Note 2 is clear and complete. Zhongliang Malt Jiangyin is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - iii. Zhongliang Malt Jiangyin has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 10,847.82 sq. m.;
 - iv. the title of the structures of the property is clear and complete. Zhongliang Malt Jiangyin can dispose the structures together with the property; and
 - v. Zhongliang Malt Jiangyin has not obtained the relevant title documents for a wharf built outside the land of the property stated in Note 3.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
42.	An industrial complex located at No. 5 Xiaoshan Road, Jiangyin, Wuxi, Jiangsu Province, PRC	<p>The property comprises two parcels of land with a total site area of approximately 77,304.00 sq. m.</p> <p>The property is located in Jiangyin of Wuxi. The immediate locality is a commercial area and is predominated by commercial buildings of various ages and heights</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 9,213.26 sq. m. and some ancillary structures which were completed during the period of 2008–2019.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise two warehouses with a total planned gross floor area of approximately 15,254.44 sq. m.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permit and title documents.</p> <p>The land use rights of the property have been granted for terms expiring on 30 December 2056 and 8 January 2057 for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial uses, and the remaining portion of the property was under construction.</p>	<p>RMB251,760,000</p> <p>(100% interests attributable to the Group: RMB251,760,000)</p> <p>(See Note 6)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Cheng Tu Guo Yong (2007) Di 6356, the land use rights of a parcel of land with a site area of approximately 33,844.00 sq. m. have been granted to COFCO (Jiangyin) Cereals, Oil & Warehouse Corporation Limited (中糧(江陰)糧油倉儲有限公司) (“Zhongliang Jiangyin Liangyou Cangchu”), which is a wholly owned subsidiary of the Company, for a term expiring on 30 December 2056 for industrial use.
- Pursuant to the State-owned Land Use Rights Certificate – No. Cheng Tu Guo Yong (2016) Di 1766, the land use rights of a parcel of land with a site area of approximately 43,460.00 sq. m. have been granted to Zhongliang Jiangyin Liangyou Cangchu for a term expiring on 8 January 2057 for industrial use.

3. Pursuant to the Building Ownership Certificate – No. Su (2019) Jiang Yin Shi Bu Dong Chan Quan Zheng Di 0035813, the building ownership of the property with a total gross floor area of approximately 3,218.26 sq. m. is vested in Zhongliang Jiangyin Liangyou Cangchu.
4. Pursuant to the Building Ownership Certificate – No. Cheng Fang Quan Zheng Jiang Yin Zi Di 10020249, the building ownership of the property with a total gross floor area of approximately 5,995.00 sq. m. is vested in Zhongliang Jiangyin Liangyou Cangchu.
5. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB27,457,000, of which approximately RMB12,110,000 has been paid up to the valuation date.
6. In the course of our valuation, we have assigned no commercial value to the CIP, which was constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the CIP was RMB12,110,000 (equivalent to RMB12,110,000, 100% interests attributable to the Group).
7. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Zhongliang Jiangyin Liangyou Cangchu is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property stated in Notes 3 and 4 are clear and complete. Zhongliang Jiangyin Liangyou Cangchu is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - iii. Zhongliang Jiangyin Liangyou Cangchu has not obtained the relevant title documents for CIP stated in Note 6; and
 - iv. the title of the structures of the property is clear and complete. Zhongliang Jiangyin Liangyou Cangchu can dispose the structures together with the property.
8. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB251,760,000	100%	RMB251,760,000
Group III – held by the Group under development	No commercial value	100%	No commercial value
	<u>RMB251,760,000</u>		<u>RMB251,760,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
43.	An industrial complex located at No. 8 Guotai Road, Taixing, Taizhou, Jiangsu Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 31,805.32 sq. m.</p> <p>The property is located in Taixing of Taizhou. The immediate locality is a residential area and is predominated by residential buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 18,406.90 sq. m. which were completed during the period of 2009–2017.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some ancillary structures that were constructed without obtaining relevant title documents and were built outside the land of the property.</p> <p>The land use rights of the property have been granted for a term expiring on 10 November 2056 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB23,110,000</p> <p>(100% interests attributable to the Group: RMB23,110,000)</p> <p>(See Note 4)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Tai Guo Yong (2009) Di 360272, the land use rights of a parcel of land with a site area of approximately 31,805.32 sq. m. have been granted to COFCO Flour Industry (Taixing) Co., Ltd (中糧麵業(泰興)有限公司) (“Zhongliang Mianye Taixing”), which is a wholly owned subsidiary of the Company, for a term expiring on 10 November 2056 for industrial use.
- Pursuant to the Building Ownership Certificate – No. Tai Fang Quan Zheng Tai Xing Zi Di 102936-1, the building ownership of the property with a total gross floor area of approximately 12,865.54 sq. m. is vested in Zhongliang Mianye Taixing.
- Pursuant to the Building Ownership Certificate – No. Tai Fang Quan Zheng Tai Xing Zi Di 102000, the building ownership of the property with a total gross floor area of approximately 5,541.36 sq. m. is vested in Zhongliang Mianye Taixing.
- In the course of our valuation, we have assigned no commercial value to the structures, which were constructed without obtaining relevant title documents and were built outside the land of the property. For your reference purpose, the depreciated replacement cost of those structures was RMB7,720,000 as at the valuation date (equivalent to RMB7,720,000, 100% interests attributable to the Group).

5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the Property is clear and complete. Zhongliang Mianye Taixing is entitled to transfer, let, mortgage or by other legal mean dispose of those rights of the property;
 - ii. the title of the building ownership rights of the property stated in Notes 2 and 3 are clear and complete. Zhongliang Mianye Taixing is entitled to transfer, let, mortgage or by other legal mean dispose of those rights of the property; and
 - iii. Zhongliang Mianye Taixing has not obtained the relevant title documents for structures built outside the land of the property stated in Note 4.
6. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
44.	An industrial complex located in Shi Hu Cun, Wugongtai, Hutubi County, Xinjiang Uyghur Autonomous Region, PRC	<p>The property comprises a parcel of land with a site area of approximately 120,011.00 sq. m.</p> <p>The property is located in Wugongtai of Hutubi County. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 13,783.76 sq. m. and some ancillary structures which were completed during the period of 2014–2018.</p> <p>The land use rights of the property have been granted for a term expiring on 11 October 2063 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	RMB47,570,000 (60% interests attributable to the Group: RMB28,542,000)

Notes:

- Pursuant to the Building Ownership Certificate – No. Xin (2019) Hu Tu Bi Xian Bu Dong Chan Quan Di 0000657, the building ownership of the property with a total gross floor area of approximately 13,783.76 sq. m. and the land use rights of a parcel of land with a site area of approximately 120,011.00 sq. m. are vested in COFCO Bayi Flour Industry (Hutubi) Co., Ltd. (中糧八一麵業(呼圖壁)有限公司) (“Zhongliang Bayi Mianye Hutubi”), which is a 60% owned subsidiary of the Company, for a term expiring on 11 October 2063 for industrial use.
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. Zhongliang Bayi Mianye Hutubi is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Zhongliang Bayi Mianye Hutubi is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete. Zhongliang Bayi Mianye Hutubi can dispose the structures together with the property.
- For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
45.	An industrial complex located at No. 68 Yunliang Road, Decheng District, Dezhou, Shandong Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 36,354.40 sq. m.</p> <p>The property is located in Decheng District of Dezhou. The immediate locality is an industrial area and is predominated by commercial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 19,959.61 sq. m. and some ancillary structures which were completed during the period of 1987–2018.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 11,547.52 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property.</p> <p>The land use rights of the property have been granted for a term expiring on 12 December 2048 for industrial use.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB28,210,000</p> <p>(95% interests attributable to the Group: RMB26,799,500)</p> <p>(See Notes 3 and 4)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. De Guo Yong (2002) Di 044, the land use rights of a parcel of land with a site area of approximately 36,354.40 sq. m. have been granted to COFCO Flour Industry (De Zhou) Co., Ltd (中糧麵業(德州)有限公司) (“Zhongliang Mianye Dezhou”), which is a 95% owned subsidiary of the Company, for a term expiring on 12 December 2048 for industrial use.

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 19,959.61 sq. m. is vested in Zhongliang Mianye Dezhou for industrial use. Details of the said certificates are as follows:

Certificate No.		Gross Floor Area (sq. m.)	Use
1	Fang Chan Zheng Lu De Zi Di108867 Hao	5,641.43	Industrial
2	Fang Chan Zheng Lu De Zi Di108864 Hao	687.34	Industrial
3	Fang Chan Zheng Lu De Zi Di108866 Hao	5,116.86	Industrial
4	Fang Chan Zheng Lu De Zi Di108865 Hao	6,510.25	Industrial
5	Fang Chan Zheng Lu De Zi Di108862 Hao	1,828.38	Industrial
6	Fang Chan Zheng Lu De Zi Di108863 Hao	175.35	Industrial

3. In the course of our valuation, we have assigned no commercial value to buildings with a total gross floor area of approximately 11,547.52 sq. m., which were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property. For your reference purpose, the depreciated replacement cost of those buildings was RMB7,821,500 as at the valuation date (equivalent to RMB7,430,425, 95% interests attributable to the Group).
4. In the course of our valuation, we have assigned no commercial value to structures, which were constructed without obtaining relevant title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB71,700 as at the valuation date. (equivalent to RMB68,115, 95% interests attributable to the Group).
5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Zhongliang Mianye Dezhou is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property stated in Note 2 is clear and complete. Zhongliang Mianye Dezhou is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - Zhongliang Mianye Dezhou has not obtained the relevant building ownership certificate for some of the buildings built outside the land of the property with a total gross floor area of approximately 11,547.52 sq. m.;
 - the title of portion of the structures of the property is clear and complete. Zhongliang Mianye Dezhou can dispose the structures together with the property; and
 - Zhongliang Mianye Dezhou has not obtained the relevant title documents for structures built outside the land of the property stated in Note 4.
6. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
46.	An industrial complex located at Wamia Road, Yanmenkou, Jingshan, Jingmen, Hubei Province, PRC	<p>The property comprises three parcels of land with a total site area of approximately 13,109.28 sq. m.</p> <p>The property is located in Jingshan of Jingmen. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 4,564.88 sq. m. and some ancillary structures which were completed during the period of 2005–2018.</p> <p>The remaining portion of the land was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a warehouse with a planned gross floor area of approximately 1,929.60 sq. m.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permits and title documents and was built outside the land of the property.</p> <p>As advised by the Group, in addition to the aforesaid land, there are also some land with a total site area of approximately 8,449.10 sq. m. that were acquired without obtaining relevant title documents and a parcel of land with a site area of approximately 8,994.26 sq. m. is in process of acquisition.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 7,935.90 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents and were built over the land without obtaining relevant title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 2 September 2061 for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB8,310,000</p> <p>(45.47% interests attributable to the Group: RMB3,778,577) (See Notes 2–5 and 7)</p>

Notes:

1. Pursuant to various Building Ownership Certificates, the land use rights and building ownership of the property with a total site area of approximately 13,109.28 sq. m. and gross floor area of approximately 4,564.88 sq. m. respectively are vested in COFCO Bafang Rice (Jingshan) Co., Ltd. (中糧八方米業(京山)有限公司) (“Zhongliang Bafang Miye Jingshan”), which is a 45.47% owned subsidiary of the Company, for a term expiring on 2 September 2061 for industrial use. Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use	Land Use Term Expiry Date
1	E (2016) Jin Shan Xian Bu Dong Chan Quan 0000322 Hao	1,085.24	Industrial	2 September 2061
2	E (2016) Jin Shan Xian Bu Dong Chan Quan 0000321 Hao	1,886.10	Industrial	2 September 2061
3	E (2016) Jin Shan Xian Bu Dong Chan Quan 0000323 Hao	1,593.54	Industrial	2 September 2061

2. In the course of our valuation, we have assigned no commercial value to buildings with a total gross floor area of approximately 7,935.90 sq. m., which were constructed without obtaining relevant construction permits and title documents. For your reference, the depreciated replacement cost of those buildings was RMB9,080,000 as at the valuation date (equivalent to RMB4,128,676, 45.47% interests attributable to the Group).
3. In the course of our valuation, we have assigned no commercial value to structures, which were constructed without obtaining relevant title documents. For your reference, the depreciated replacement cost of those structures was RMB8,456,000 as at the valuation date (equivalent to RMB3,844,943, 45.47% interests attributable to the Group).
4. In the course of our valuation, we have assigned no commercial value to three parcels of land with a total site area of approximately 17,443.36 sq. m., which were acquired without obtaining relevant title documents.
5. In the course of our valuation, we have assigned no commercial value to a parcel of land with a site area of approximately 8,994.26 sq. m., of which the land grant contract sum has not been fully paid as at the valuation date and relevant title documents have not been obtained.
6. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB1,764,214, of which approximately RMB1,764,214 has been paid up to the valuation date.
7. In the course of this valuation, we have assigned no commercial value to a CIP with a gross floor area of approximately 1,929.60 sq. m., which was constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those CIP was RMB1,764,200 as at the valuation date (equivalent to RMB802,182, 45.47% interests attributable to the Group).

8. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- i. the title of the land use rights of the property stated in Note 1 is clear and complete. Zhongliang Bafang Miye Jingshan is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - ii. no legal impediments of the title of the land use rights of the property with a site area of approximately 8,994.26 sq. m. will exist after land grant contract sum is paid and after relevant title documents are obtained;
 - iii. Zhongliang Bafang Miye Jingshan has not obtained the relevant title documents for the title of the land use rights of the property stated in Note 4;
 - iv. the title of the building ownership rights of the property stated in Note 1 is clear and complete. Zhongliang Bafang Miye Jingshan is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - v. Zhongliang Bafang Miye Jingshan has not obtained the relevant building ownership certificate for some of the buildings built outside the land of the property with a total gross floor area of approximately 7,935.90 sq. m;
 - vi. Zhongliang Bafang Miye Jingshan has not obtained the relevant title documents for CIP built outside the land of the property stated in Note 7; and
 - vii. Zhongliang Bafang Miye Jingshan has not obtained the relevant title documents for structures built outside the land of the property stated in Note 3.
9. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB8,310,000	45.47%	RMB3,778,557
Group III – held by the Group under development	No commercial value	45.47%	No commercial value
	<u>RMB8,310,000</u>		<u>RMB3,778,557</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
47.	An industrial complex located at the junction between 316 National Road and 320 National Road, Jinxian County, Nanchang, Jiangxi Province, PRC	<p>The property comprises three parcels of land with a total site area of approximately 209,657.78 sq. m.</p> <p>The property is located in Jinxian County of Nanchang. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 70,765.16 sq. m and some ancillary structures which were completed during the period of 2003–2017.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise two workshops with a total planned gross floor area of approximately 13,937.74 sq. m.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permit and title documents.</p> <p>The land use rights of the property have been granted for terms expiring on 18 September 2051 and 20 January 2053 respectively for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use and the remaining portion of the property was under construction.</p>	<p>RMB127,540,000</p> <p>(83.47% interests attributable to the Group: RMB106,457,638)</p> <p>(See Note 4)</p>

Notes:

1. Pursuant to various State-owned Land Use Rights Certificates, the land use rights of three parcels of land with a total site area of approximately 209,657.78 sq. m. have been granted to COFCO Jiangxi Rice Processing Limited (中糧(江西)米業有限公司) (“Zhongliang Jiangxi Miye”), which is a 83.47% owned subsidiary of the Company, for terms expiring on 20 January 2053 and 18 September 2051 for industrial use. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m)	Use	Land Use Term Expiry Date
1	Jin Guo Yong(2003) Di 038 Hao	9,647.78	Industrial	20 January 2053
2	Jin Guo Yong(2001) Di 252 Hao	169,010.00	Industrial	18 September 2051
3	Jin Guo Yong(2001) Di 251 Hao	31,000.00	Industrial	18 September 2051

2. Pursuant to various the Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 70,765.16 sq. m. is vested in Zhongliang Jiangxi Miye for industrial use. Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use
1	Fang Quan Zheng Jin Fang Zi Di 08645 Hao	1,965.65	Commercial
2	Fang Quan Zheng Jin Fang Zi Di08646 Hao	2,880.95	Dormitory
3	Fang Quan Zheng Jin Fang Zi Di08654 Hao	7,832.72	Industrial
4	Fang Quan Zheng Jin Fang Zi Di08643 Hao	3,233.42	Commercial
5	Fang Quan Zheng Jin Fang Zi Di08651 Hao	10,992.93	Warehousing
6	Fang Quan Zheng Jin Fang Zi Di08652 Hao	3,424.86	Warehousing
7	Fang Quan Zheng Jin Fang Zi Di08657 Hao	5,380.98	Industrial
8	Fang Quan Zheng Jin Fang Zi Di08649 Hao	2,301.30	Industrial
9	Fang Quan Zheng Jin Fang Zi Di08653 Hao	6,565.29	Warehousing
10	Fang Quan Zheng Jin Fang Zi Di08644 Hao	7,542.20	Industrial
11	Fang Quan Zheng Jin Fang Zi Di08647 Hao	6,019.90	Commercial
12	Fang Quan Zheng Jin Fang Zi Di08655 Hao	2,295.43	Warehousing
13	Fang Quan Zheng Jin Fang Zi Di08650 Hao	1,564.64	Commercial
14	Fang Quan Zheng Jin Fang Zi Di08648 Hao	960.39	Warehousing
15	Gan (2019) Jin Xian Xian Bu Dong Chan Quan Di 001357-0001362	7,804.50	Warehousing

3. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB115,250,000, of which approximately RMB52,258,076 has been paid up to the valuation date.
4. In the course of this valuation, we have assigned no commercial value to CIP with a gross floor area of approximately 13,937.74 sq. m., which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those CIP was RMB52,260,000 as at the valuation date (equivalent to RMB43,621,422, 83.47% interests attributable to the Group).

5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- i. the title of the land use rights of the property is clear and complete. Zhongliang Jiangxi Miye is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property is clear and complete. Zhongliang Jiangxi Miye is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - iii. Zhongliang Jiangxi Miye has not obtained the relevant title documents for CIP stated in Note 4; and
 - iv. the title of the structures of the property is clear and complete. Zhongliang Jiangxi Miye can dispose the structures together with the property.
6. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB127,540,000	83.47%	RMB106,457,638
Group III – held by the Group under development	No commercial value	83.47%	No commercial value
	<u>RMB127,540,000</u>		<u>RMB106,457,638</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
48.	An industrial complex located at No. 1 Gangkou Road, Juchao Economical Development Zone, Chaohu, Anhui Province, PRC	<p>The property comprises four parcels of land with a total site area of approximately 137,634.97 sq. m.</p> <p>The property is located in Juchao Economical Development Zone of Chaohu. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 63,786.35 sq. m. and some ancillary structures which were completed during the period of 2014–2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 12,548.75 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for terms expiring on 27 January 2062, 21 September 2062 and 2 August 2063 respectively for industrial use.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB147,500,000</p> <p>(89.06% interests attributable to the Group: RMB131,363,500)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of four parcels of lands with a total site area of approximately 137,634.97 sq. m. have been granted to COFCO Rice (Chaohu) Limited (中糧米業(巢湖)有限公司) (“Zhongliang Miye Chaohu”), which is a 89.06% owned subsidiary of the Company, for industrial use. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Chao Guo Yong (2013) Di 2546 Hao	17,889.54	Industrial	02 August 2063
2	Chao Guo Yong (2012) Di C0180 Hao	64,312.36	Industrial	27 January 2062
3	Chao Guo Yong (2012) Di C0181 Hao	1,865.07	Industrial	27 January 2062
4	Chao Guo Yong (2013) Di 0209 Hao	53,568.00	Industrial	21 September 2062

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 63,786.35 sq. m. is vested in Zhongliang Miye Chaohu for industrial use. Details of the said certificates are as follows:

Certificate No.		Gross Floor Area (sq. m.)	Use
1	Chao Hu Shi Zi Di335372 Hao	4,384.55	Industrial
2	Chao Hu Shi Zi Di335373 Hao	4,384.55	Industrial
3	Chao Hu Shi Zi Di335374 Hao	4,384.55	Industrial
4	Chao Hu Shi Zi Di335220 Hao	62.78	Industrial
5	Chao Hu Shi Zi Di335219 Hao	356.98	Industrial
6	Chao Hu Shi Zi Di335383 Hao	2,260.11	Industrial
7	Chao Hu Shi Zi Di335365 Hao	6,787.09	Industrial
8	Chao Hu Shi Zi Di335217 Hao	18,859.75	Industrial
9	Chao Hu Shi Zi Di335375 Hao	657.04	Industrial
10	Chao Hu Shi Zi Di335376 Hao	831.78	Industrial
11	Chao Hu Shi Zi Di335370 Hao	3,449.35	Industrial
12	Chao Hu Shi Zi Di335218 Hao	10,799.13	Industrial
13	Chao Hu Shi Zi Di335371 Hao	2,713.91	Industrial
14	Chao Hu Shi Zi Di335381 Hao	3,854.78	Industrial

3. In the course of this valuation, we have assigned no commercial value to buildings with a total gross floor area of approximately 12,548.75 sq. m., which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB23,252,900 as at the valuation date (equivalent to RMB20,709,033, 89.06% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Zhongliang Miye Chaohu is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Zhongliang Miye Chaohu is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - Zhongliang Miye Chaohu has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 12,548.75 sq. m.; and
 - the title of the structures of the property is clear and complete. Zhongliang Miye Chaohu can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
49.	An industrial complex located at No. 688 Second Jun West Road, Lucheng, Lujiang County, Hefei, Anhui Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 45,849.88 sq. m.</p> <p>The property is located in Lucheng of Lujiang County. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 33,156.89 sq. m. and some ancillary structures which were completed during the period 2009–2019.</p> <p>The land use rights of the property have been granted for a term expiring on 14 July 2050 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	RMB69,810,000 (100% interests attributable to the Group: RMB69,810,000)

Notes:

- Pursuant to the State-owned Land Use Rights Certificate, the land use rights of a parcel of land with a site area of approximately 45,849.88 sq. m. have been granted to COFCO Flour (Lujiang) Co., Ltd. (中糧麵業(廬江)有限公司) (“Zhongliang Mianye Lujiang”), which is a wholly-owned subsidiary of the Company, for a term expiring on 14 July 2050 for industrial use. Details of the said certificate are as follows:

	Certificate No.	Site Area (sq. m)	Use	Land Use Term Expiry Date
1	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011347 Hao	45,849.88	Industrial	14 July 2050

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 33,156.89 sq. m. is vested in Zhongliang Mianye Lujiang for industrial uses. Details of the said certificates are as follows:

Certificate No.		Gross Floor Area (sq. m.)	Use
1	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011342 Hao	4,017.72	Industrial
2	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011336 Hao	3,715.46	Industrial
3	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011345 Hao	2,636.36	Industrial
4	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011335 Hao	5,193.18	Industrial
5	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011343 Hao	4,475.38	Industrial
6	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011341 Hao	9,028.55	Industrial
7	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011344 Hao	4,090.24	Industrial

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Zhongliang Mianye Lujiang is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Zhongliang Mianye Lujiang is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete. Zhongliang Mianye Lujiang can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
50.	An industrial complex located at Qili Village, Shengqiao, Lujiang County, Hefei, Anhui Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 46,686.68 sq. m.</p> <p>The property is located in Shengqiao of Lujiang County. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 13,501.19 sq. m. and some ancillary structures which were completed during the period 2003–2019.</p> <p>The land use rights of the property have been granted for a term expiring on 14 March 2057 for industrial use.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB15,590,000</p> <p>(100% interests attributable to the Group: RMB15,590,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate, the land use rights of a parcel of land with a total site area of approximately 46,686.68 sq. m. has been granted to COFCO Flour (Lujiang) Co., Ltd (中糧麵業(廬江)有限公司) (“Zhongliang Mianye Lujiang”), which is a wholly-owned subsidiary of the Company, for a term expiring on 14 March 2057 for industrial use. Details of the said certificate are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011334 Hao	46,686.68	Industrial	14 March 2057

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 13,501.19 sq. m. is vested in Zhongliang Mianye Lujiang for industrial use. Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use
1	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0002947 Hao	2,648.19	Industrial
2	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011339 Hao	1,296.00	Industrial
3	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011340 Hao	1,296.00	Industrial
4	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011337 Hao	1,248.00	Industrial
5	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011346 Hao	1,296.00	Industrial
6	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0011338 Hao	1,296.00	Industrial
7	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0002948 Hao	3,937.40	Industrial
8	Wan (2018) Lu Jiang Xian Bu Dong Chan Quan Di0002949 Hao	483.60	Industrial

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Zhongliang Mianye Lujiang is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Zhongliang Mianye Lujiang is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete. Zhongliang Mianye Lujiang can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
51.	An industrial complex located at Shihua East Road, Hualong District, Puyang, Henan Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 58,712.79 sq. m.</p> <p>The property is located in Hualong District of Puyang. The immediate locality is a residential area and is predominated by residential buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 19,932.08 sq. m. and ancillary structures which were completed during the period of 2002–2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 416.09 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 6 December 2052 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB28,330,000</p> <p>(80% interests attributable to the Group: RMB22,664,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Pu Guo Yong (2007) Zi Di 0162, the land use rights of a parcel of land with a site area of approximately 58,712.79 sq. m. have been granted to COFCO Flour Industry (Puyang) Company Limited (中糧麵業(濮陽)有限公司) (“Zhongliang Mianye Puyang”), which is a 80% owned subsidiary of the Company, for a term expiring on 6 December 2052 for industrial use.

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 19,932.08 sq. m. is vested in Zhongliang Mianye Puyang for industrial and commercial uses. Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use
1 Pu Fang Quan Zheng Zi Di 007-09545 Hao	2,895.41	Industrial
2 Pu Fang Quan Zheng Zi Di 007-09543 Hao	9,419.90	Industrial
3 Pu Fang Quan Zheng Zi Di 007-09544 Hao	337.06	Industrial
4 Pu Fang Quan Zheng Zi Di 007-09546 Hao	5,977.35	Industrial
5 Pu Fang Quan Zheng Zi Di 007-09547 Hao	1,302.36	Industrial

3. In the course of this valuation, we have assigned no commercial value to buildings with a total gross floor area of approximately 416.09 sq. m., which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB199,000 as at the valuation date (equivalent to RMB159,200, 80% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Zhongliang Mianye Lujiang is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property stated in Note 2 is clear and complete. Zhongliang Mianye Lujiang is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - Zhongliang Mianye Lujiang has not obtained the relevant building ownership certificate for buildings with a gross floor area of approximately 416.09 sq. m.; and
 - the title of the structures of the property is clear and complete. Zhongliang Mianye Lujiang can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
52.	An industrial complex located at No. 2 Lijiang Road, Zhaohe District, Luohe, Henan Province, PRC	<p>The property comprises two parcels of land with a total site area of approximately 68,456.80 sq. m.</p> <p>The property is located in Zhaohe District of Luohe. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 30,392.48 sq. m. and ancillary structures which were completed during the period of 2005–2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 174,725.99 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for terms expiring on 8 December 2054 and 29 June 2057 respectively for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB29,070,000</p> <p>(100% interests attributable to the Group: RMB29,070,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of two parcels of lands with a total site area of approximately 68,456.80 sq. m. have been granted to COFCO Flour Industry (Luohe) Co., Ltd. (中糧麵業(漯河)有限公司) (“Zhongliang Mianye Luohe”), which is a wholly-owned subsidiary of the Company, for industrial use. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Luo Guo Yong(2007) Di 001139 Hao	66,192.00	Industrial	8 December 2054
2	Luo Guo Yong(2008) Di 001903 Hao	2,264.80	Industrial	29 June 2057

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 30,392.48 sq. m. is vested in Zhongliang Mianye Luohe for industrial use. Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use
1	Luo He Shi Fang Quan Zheng Gao Xin Qu Zi Di20070003826 Hao	8,825.66	Industrial
2	Luo He Shi Fang Quan Zheng Gao Xin Qu Zi Di20070003827 Hao	3,605.25	Industrial
3	Luo Fang Quan Zheng Jing Ji Kai Fa Qu Zi Di20090003804 Hao	1,749.57	Industrial
4	Luo Fang Quan Zheng Jing Ji Kai Fa Qu Zi Di20120004871 Hao	9,786.00	Industrial
5	Luo Fang Quan Zheng Jing Ji Kai Fa Qu Zi Di2012000469 Hao	3,024.00	Industrial
6	Luo Fang Quan Zheng Jing Ji Kai Fa Qu Zi Di20120004870 Hao	3,402.00	Industrial

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 174,725.99 sq. m., which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB35,340,000 as at the valuation date (equivalent to RMB35,340,000, 100% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Zhongliang Mianye Luohe is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property stated in Note 2 is clear and complete. Zhongliang Mianye Luohe is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - Zhongliang Mianye Luohe has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 174,725.99 sq. m.; and
 - the title of the structures of the property is clear and complete. Zhongliang Mianye Luohe can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
53.	An industrial complex located at No. 263 Chongdong East Road, Guancheng Hui People's District, Zhengzhou, Henan Province, PRC	<p>As advised by the Group, the property comprises a parcel of land with a total site area of approximately 48,400.00 sq. m. which was acquired without obtaining relevant title documents.</p> <p>The property is located in Guancheng Hui People's District of Zhengzhou. The immediate locality is a commercial area and is predominated by residential and commercial buildings of various ages and heights.</p> <p>As advised by the Group, the property comprises various buildings with a total gross floor area of approximately 43,598.95 sq. m. and some ancillary structures which were completed during the period of 1984–2014 and were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property.</p> <p>The land use rights of the property have not been granted.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	No commercial value (See Notes 2 and 3)

Notes:

1. In the course of our valuation, we have assigned no commercial value to a parcel of land with a site area of 48,400.00 sq. m., which was acquired without obtaining relevant title documents.
2. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 43,598.95 sq. m., which were constructed without obtaining relevant construction permit and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB2,301,000 as at the valuation date (equivalent to RMB1,265,550, 55% interests attributable to the Group).
3. In the course of our valuation, we have assigned no commercial value to the structures, which were constructed without obtaining relevant construction permit and title documents. For your reference purpose, the depreciated replacement cost of those structures was RMB417,000 as at the valuation date (equivalent to RMB229,350, 55% interests attributable to the Group).

4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. Zhengzhou Haijia Food Co., Ltd. (鄭州海嘉食品有限公司) ("Zhengzhou Haijia Food"), which is a 55% owned subsidiary of the Group, has not obtained the relevant title documents for the title of the land use rights of the property stated in Note 1;
 - ii. Zhengzhou Haijia Food has not obtained the relevant building ownership certificate for the buildings built outside the land of the property with a total gross floor area of approximately 43,598.95 sq. m.; and
 - iii. Zhengzhou Haijia Food has not obtained the relevant title documents for structures built outside the land of the property stated in Note 3.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
54.	An industrial complex located at No. 1746 Hanghai East Road, Economical Development Zone, Guancheng Hui People's District, Zhengzhou, Henan Province, PRC	<p>The property comprises a parcel of land with a total site area of approximately 202,631.38 sq. m.</p> <p>The property is located in Guancheng Hui People's District of Zhengzhou. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 93,795.32 sq. m. and some ancillary structures which were completed during the period of 2012–2017.</p> <p>The land use rights of the property have been granted for a term expiring on 31 August 2061 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB309,010,000</p> <p>(100% interests attributable to the Group: RMB309,010,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate, the land use rights of a parcel of land with a site area of approximately 202,631.38 sq. m. have been granted to COFCO (Zhengzhou) Oils & Grains Industries Co., Ltd. (中糧(鄭州)糧油工業有限公司) ("COFCO Zhengzhou Oils & Grains"), which is a wholly-owned subsidiary of the Company, for a term expiring on 31 August 2061 for industrial use. Details of the said certificate are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1 Zheng Guo Yong (2011) Di0429 Hao	202,631.38	Industrial	31 August 2061

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 93,795.32 sq. m. is vested in COFCO Zhengzhou Oils & Gains for industrial use. Details of the said certificates are as follows:

Certificate No.		Gross Floor Area (sq. m.)	Use
1	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305805 Hao	2,852.61	Industrial
2	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304724 Hao	5,794.87	Industrial
3	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304710 Hao	30,116.84	Industrial
4	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304716 Hao	4,231.20	Industrial
5	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304739 Hao	4,231.20	Industrial
6	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304717 Hao	4,231.20	Industrial
7	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305537 Hao	1,891.00	Industrial
8	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305850 Hao	1,501.56	Industrial
9	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305420 Hao	1,519.00	Industrial
10	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304909 Hao	213.40	Industrial
11	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304733 Hao	6,254.34	Industrial
12	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304832 Hao	1,836.78	Industrial
13	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304706 Hao	1,836.78	Industrial
14	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305820 Hao	1,836.78	Industrial
15	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305811 Hao	2,759.10	Industrial
16	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305769 Hao	2,759.10	Industrial
17	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305775 Hao	8,162.29	Industrial
18	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305006 Hao	51.59	Industrial
19	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305399 Hao	11,424.78	Industrial
20	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0305372 Hao	232.76	Industrial
21	Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan Di 0304920 Hao	58.14	Industrial

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. COFCO Zhengzhou Oils & Grains is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. COFCO Zhengzhou Oils & Grains is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property; and
 - the title of the structures of the property stated is clear and complete. COFCO Zhengzhou Oils & Grains can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
55.	Various buildings, structures and parcels of land located at No. 6 Haiyang Road, Baoshui Zone, Jinzhou District, Dalian, Liaoning Province, PRC	<p>The property comprises two parcels of land with a total site area of approximately 66,017.00 sq. m.</p> <p>The property is located in Jinzhou District of Dalian. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 41,055.89 sq. m. and some ancillary structures which were completed during the period of 2006–2011.</p> <p>The land use rights of the property have been granted for a term expiring on 23 August 2055 for wharf use.</p>	As at the valuation date, the property was occupied by the Group for logistic use.	<p>RMB149,040,000</p> <p>(100% interests attributable to the Group: RMB149,040,000)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of two parcels of land with a total site area of approximately 66,017.00 sq. m. have been granted to COFCO Rice (Dalian) Limited (中糧米業(大連)有限公司) (“Zhongliang Miye Dalian”), which is a wholly-owned subsidiary of the Company, for a term expiring on 23 August 2055 for industrial use. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Da Bao Guo Yong (2008) Di 14057 Hao	44,887.00	Wharf	23 August 2055
2	Da Bao Guo Yong (2010) Di 14048 Hao	21,130.00	Wharf	23 August 2055

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 41,055.89 sq. m. is vested in Zhongliang Miye Dalian for industrial use. Details of the said certificates are as follows:

Certificate No.	Gross Floor Area (sq. m.)	Use
1 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2010002162 Hao	25,038.24	Other
2 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001046 Hao	27.86	Other
3 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2010002161 Hao	221.72	Office
4 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001045 Hao	16.23	Office
5 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001044 Hao	1,869.45	Other
6 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2010002163 Hao	298.29	Office
7 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001056 Hao	1,995.96	Warehousing
8 2 Da Fang Quan Zheng Bao Shui Qu Dan Zi 014001052 Hao	3,011.72	Warehousing
9 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001051 Hao	1,327.97	Warehousing
10 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001047 Hao	1,795.69	Warehousing
11 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001048 Hao	1,795.69	Warehousing
12 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001050 Hao	1,795.69	Warehousing
13 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001049 Hao	1,795.69	Warehousing
14 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001043 Hao	38.99	Industrial
15 Da Fang Quan Zheng Bao Shui Qu Dan Zi 2014001042 Hao	26.70	Warehousing

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Zhongliang Miye Dalian is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Zhongliang Miye Dalian is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete. Zhongliang Miye Dalian can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
56.	An industrial complex located at No. 69 Liuhe Street, Sujiatun District, Shenyang, Liaoning Province, PRC	<p>The property comprises three parcels of land with a total site area of approximately 188,947.00 sq. m.</p> <p>The property is located in Sujiatun District of Shenyang. The immediate locality is an industrial area and is predominated by industrial building of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 54,335.28 sq. m. and some ancillary structures which were completed during the period of 2012–2017.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 16,920.39 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in October 2020. As advised by the Group, upon completion, the CIP will comprise warehouses with a planned gross floor area of approximately 16,336.82 sq. m.</p> <p>As advised by the Group, the CIP was constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 30 June 2061 for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB163,600,000</p> <p>(87.73% interests attributable to the Group: RMB143,526,280)</p> <p>(See Notes 3, 4 and 6)</p>

Notes:

1. Pursuant to various State-owned Land Use Rights Certificates, the land use rights of three parcels of land with a total site area of approximately 188,947.00 sq. m. have been granted to COFCO Shenyang Rice Processing limited (中糧米業(瀋陽)有限公司) (“Zhongliang Miye Shenyang”), which is a 87.73% owned subsidiary of the Company, for a term expiring on 30 June 2061 for industrial use. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Su Jia Tun Guo Yong (2011) Di 0001708 Hao	2,310.00	Industrial	30 June 2061
2	Su Jia Tun Guo Yong (2011) Di 0001709 Hao	56,077.00	Industrial	30 June 2061
3	Su Jia Tun Guo Yong (2011) Di 0001701 Hao	130,560.00	Industrial	30 June 2061

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 54,335.28 sq. m. is vested in Zhongliang Miye Shenyang for industrial use. Details of the said certificates are as follows:

	Certificate No.	Gross Floor Area (sq. m.)	Use
1	Shen Fang Chan Zhong Xin Zi Di 60982621 Hao	1,656.69	Warehousing
2	Shen Fang Chan Zhong Xin Zi Di 60982623 Hao	398.44	Other
3	Shen Fang Chan Zhong Xin Zi Di 60982622 Hao	1,452.82	Other
4	Shen Fang Chan Zhong Xin Zi Di 60982620 Hao	322.39	Office
5	Shen Fang Chan Zhong Xin Zi Di 60982618 Hao	18,755.75	Other
6	Shen Fang Chan Zhong Xin Zi Di 60982616 Hao	4,465.83	Other
7	Shen Fang Chan Zhong Xin Zi Di 60982617 Hao	10,818.28	Warehousing
8	Shen Fang Chan Zhong Xin Zi Di 60982619 Hao	7,461.88	Other
9	Liao (2017) Shen Yang Shi Bu Dong Chan Quan Di 0419635 Hao	4,501.60	Warehousing
10	Liao (2017) Shen Yang Shi Bu Dong Chan Quan Di 0419641 Hao	4,501.60	Warehousing

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 16,920.39 sq. m., which were constructed without obtaining relevant construction permit and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB25,220,000 as at the valuation date (equivalent to RMB22,125,506, 87.73% interests attributable to the Group).
4. In the course of our valuation, we have assigned no commercial value to the structures, which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those structures was RMB19,000 as at the valuation date (equivalent to RMB16,669, 87.73% interests attributable to the Group).
5. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB25,220,000, of which approximately RMB439,000 has been paid up to the valuation date.
6. In the course of our valuation, we have assigned no commercial value to the CIP which was constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the CIP of the property was RMB440,000 as at the valuation date (equivalent to RMB386,012, 87.73% interests attributable to the Group).

7. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- i. the title of the land use rights of the property is clear and complete. Zhongliang Miye Shenyang is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property stated in Note 2 is clear and complete. Zhongliang Miye Shenyang is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - iii. Zhongliang Miye Shenyang has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 16,920.39 sq. m.;
 - iv. Zhongliang Miye Shenyang has not obtained the relevant title documents for CIP stated in Note 6;
 - v. the title of portion of the structures of the property is clear and complete. Zhongliang Miye Shenyang can dispose the structures together with the property; and
 - vi. Zhongliang Miye Shenyang has not obtained the relevant title documents for structures built outside the land of the property stated in Note 4.
8. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB163,600,000	87.73%	RMB143,526,280
Group III – held by the Group under development	No commercial value	87.73%	No commercial value
	<u>RMB163,600,000</u>		<u>RMB143,526,280</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
57.	An industrial complex located at No. 9 Xing Middle Road, Pulandian, Dalian, Liaoning Province, PRC	<p>The property comprises three parcels of land with a total site area of approximately 205,203.00 sq. m.</p> <p>The property is located in Pulandian of Dalian. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 38,270.57 sq. m. and some ancillary structures which were completed during the period of 1997–2019.</p> <p>The land use rights of the property have been granted for terms expiring on 27 May 2046, 17 November 2047 and 19 December 2056 respectively for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB185,740,000</p> <p>(100% interests attributable to the Group: RMB185,740,000)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of three parcels of land with a total site area of approximately 205,203.00 sq. m. have been granted to COFCO Malt (Dalian) Co., Ltd. (中糧麥芽(大連)有限公司) (“Zhongliang Maiya Dalian”), which is a wholly-owned subsidiary of the Company, for industrial use. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Pu Guo Yong (2009) Di 36 Hao	147,710.00	Industrial	27 May 2046
2	Pu Guo Yong (2009) Di 104 Hao	15,159.00	Industrial	17 November 2047
3	Pu Guo Yong (2009) Di 105 Hao	42,334.00	Industrial	19 December 2056

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 38,270.57 sq. m. is vested in Zhongliang Maiya Dalian for industrial use. Details of the said certificates are as follows:

Certificate No.		Gross Floor Area (sq. m.)	Use
1	Pu Fang Quan Zheng Pu Zi Di 065179 Hao	4,748.00	Industrial
2	Pu Fang Quan Zheng Pu Zi Di 065178 Hao	605.17	Industrial
3	Pu Fang Quan Zheng Pu Zi Di 065182 Hao	1,217.70	Other
4	Pu Fang Quan Zheng Pu Zi Di 065176 Hao	971.50	Other
5	Pu Fang Quan Zheng Pu Zi Di 065173 Hao	8,315.80	Warehousing
6	Pu Fang Quan Zheng Pu Zi Di 065174 Hao	3,941.40	Industrial
7	Pu Fang Quan Zheng Pu Zi Di 065175 Hao	1,662.50	Industrial
8	Pu Fang Quan Zheng Pu Zi Di 065170 Hao	1,974.27	Office
9	Pu Fang Quan Zheng Pu Zi Di 065171 Hao	963.22	Other
10	Pu Fang Quan Zheng Pu Zi Di 065172 Hao	1,346.80	Other
11	Pu Fang Quan Zheng Pu Zi Di 065181 Hao	2,176.32	Other
12	Pu Fang Quan Zheng Pu Zi Di 065177 Hao	502.25	Other
13	Pu Fang Quan Zheng Pu Zi Di 065184 Hao	170.39	Office
14	Pu Fang Quan Zheng Pu Zi Di 065180 Hao	3,704.28	Other
15	Pu Fang Quan Zheng Pu Zi Di 065306 Hao	252.72	Other
16	Pu Fang Quan Zheng Pu Zi Di 065305 Hao	428.77	Other
17	Pu Fang Quan Zheng Pu Zi Di 00082465 Hao	1,916.93	Industrial
18	Liao (2019) Da Lian Pu Lan Dian Qu Bu Dong Chan Quan Di 03015320 Hao	622.84	Industrial
19	Liao (2019) Da Lian Pu Lan Dian Qu Bu Dong Chan Quan Di 03015321 Hao	2,451.41	Comprehensive
20	Pu Fang Quan Zheng Pu Zi Di 065183 Hao	298.30	Other

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Zhongliang Maiya Dalian is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Zhongliang Maiya Dalian is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete. Zhongliang Maiya Dalian can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
58.	An industrial complex located at No. 158 Huishan Road, Shenbei New District, Shenyang, Liaoning Province, PRC	<p>The property comprises three parcels of land with a total site area of approximately 133,333.00 sq. m.</p> <p>The property is located in Shenbei New District of Shenyang. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 64,419.30 sq. m. and some ancillary structures which were completed during the period of 2005–2017.</p> <p>The land use rights of the property have been granted for a term expiring on 8 June 2054 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	RMB127,640,000 (68.71% interests attributable to the Group: RMB87,701,444)

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of three parcels of land with a total site area of approximately 133,333.00 sq. m. have been granted to Shenyang Xiangxue Flour Limited Liability Company (瀋陽香雪麵粉股份有限公司) (“Shenyang Xiangxue”), which is a 68.71% owned-subsidiary of the Company, for a term expiring on 8 June 2054 for industrial use. Details of the said certificates are as follows:

	Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1	Shen Nong Kai Guo Yong 2005 Zi Di 47 Hao	18,278.00	Industrial	8 June 2054
2	Shen Nong Kai Guo Yong 2005 Zi Di 48 Hao	73,605.00	Industrial	8 June 2054
3	Shen Nong Kai Guo Yong 2005 Zi Di 49 Hao	41,450.00	Industrial	8 June 2054

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 64,419.30 sq. m. is vested in Shenyang Xiangxue for industrial use. Details of the said certificates are as follows:

Certificate No.		Gross Floor Area (sq. m.)	Use
1	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 005796 Hao	16,500.00	Warehousing
2	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 005799 Hao	11,688.68	Industrial
3	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 005797 Hao	739.24	Industrial
4	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 005795 Hao	3,579.30	Industrial
5	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 005798 Hao	23,399.54	Industrial
6	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 004579 Hao	945.14	Industrial
7	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 004580 Hao	465.28	Industrial
8	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 004577 Hao	2,962.72	Commercial
9	Shen Fang Quan Zheng Pu He Xin Cheng Zi Di 004578 Hao	4,139.40	Industrial

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. Shenyang Xiangxue is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. Shenyang Xiangxue is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete. Shenyang Xiangxue can dispose the structures together with the property.
4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
59.	An industrial complex located at Shipin Industrial Zone, Baoshan Road, Baoshan, Beilin District, Suihua, Heilongjiang Province, PRC	<p>The property comprises two parcels of land with a total site area of approximately 294,263.00 sq. m.</p> <p>The property is located in Beilin District of Suihua. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 58,716.00 sq. m. and some ancillary structures which were completed during the period of 2011–2017.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a workshop with a total gross floor area of 2,400.00 sq. m.</p> <p>As advised by the group, in addition to the aforesaid CIP, there are also some CIP that were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property.</p> <p>The land use rights of the property have been granted for a term expiring on 30 January 2060 for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB204,090,000</p> <p>(100% interests attributable to the Group: RMB204,090,000)</p> <p>(See Note 5)</p>

Notes:

- Pursuant to two State-owned Land Use Rights Certificates – No. Sui Guo Yong (2010) Di 8458 and 8462, the land use rights of two parcels of land with a site area of approximately 294,263.00 sq. m. have been granted to COFCO Suihua Rice Processing limited (中糧米業(綏化)有限公司) (“Zhongliang Miye Suihua”), which is a wholly owned subsidiary of the Company, for a term expiring on 30 January 2060 for industrial use.

2. Pursuant to the Building Ownership Certificate – No. Sui Fang Quan Zheng Kai Fa Qu Zi Di 20140101, the building ownership of the property with a total gross floor area of approximately 58,716.00 sq. m. is vested in Zhongliang Miye Suihua for industrial use.
3. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB6,730,000, of which approximately RMB4,840,000 has been paid up to the valuation date.
4. The market value of the CIP of the property with the relevant construction permits and title documents as if completed as at the valuation date is estimated to be RMB8,270,000 (equivalent to RMB8,270,000, 100% interests attributable to the Group).
5. As advised by the Group, some CIP were constructed without obtaining relevant construction permits and title documents and built outside the land of the property. For your reference purpose, the depreciated replacement cost of those CIP of the property was RMB1,310,000 as at the valuation date (equivalent to RMB1,310,000, 100% interests attributable to the Group).
6. We have been provided with a legal opinion on the title to the Property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Zhongliang Miye Suihua is entitled to transfer, let, mortgage or by other legal mean of dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property is clear and complete. Zhongliang Miye Suihua is entitled to transfer, let, mortgage or by other legal mean of dispose of the building ownership rights of the property;
 - iii. the title of the structures of the property is clear and complete. Zhongliang Miye Suihua can dispose the structures together with the property;
 - iv. all the relevant formalities have been passed for the CIP of the property stated in Note 4 completely and there are no legal impediments for Zhongliang Miye Suihua to carry out construction; and
 - v. Zhongliang Miye Suihua has not obtained the relevant title documents for CIP built outside the land of the property stated in Note 5.
7. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB196,390,000	100%	RMB196,390,000
Group III – held by the Group under development	RMB7,700,000	100%	RMB7,700,000
	<u>RMB204,090,000</u>		<u>RMB204,090,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
60.	An industrial complex located in Xijiao Village, Wuchang, Haerbin, Heilongjiang Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 101,575.00 sq. m.</p> <p>The property is located in Xijiao Village of Wuchang in Haerbin. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 33,400.23 sq. m. and some ancillary structures which were completed during the period of 2011–2016.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a workshop with a planned gross floor area of approximately 72,253.00 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 9 January 2061 for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB178,660,000</p> <p>(100% interests attributable to the Group: RMB178,660,000)</p>

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate – No. Wu Guo Yong (2011) Di 0028, the land use rights of a parcel of land with a site area of approximately 101,575.00 sq. m. have been granted to COFCO WuChang Rice Processing Limited (中糧米業(五常)有限公司) (“WuChang Rice Processing”), which is a wholly-owned subsidiary of the Company, for a term expiring on 9 January 2061 for industrial use.
2. Pursuant to the Building Ownership Certificate – No. Hei (2017) Wu Chang Shi Bu Dong Chan Quan Di 0008225 dated 1 December 2017, the building ownership of the buildings of the property with a total gross floor area of approximately 33,400.23 sq. m. is vested in WuChang Rice Processing for industrial use.
3. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB152,430,000, of which approximately RMB61,170,000 has been paid up to the valuation date.

4. The market value of the CIP of the property as if completed as at the valuation date is estimated to be RMB158,900,000 (equivalent to RMB158,900,000, 100% interests attributable to the Group).
5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- i. the title of the land use rights of the property is clear and complete. WuChang Rice Processing is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property is clear and complete. WuChang Rice Processing is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - iii. all the relevant formalities have been passed for the CIP of the property completely and there are no legal impediments for WuChang Rice Processing to carry out construction; and
 - iv. the title of the structures of the property is clear and complete and WuChang Rice Processing can dispose the structures together with the property.
6. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB110,930,000	100%	RMB110,930,000
Group III – held by the Group under development	RMB67,730,000	100%	RMB67,730,000
	<hr/>		<hr/>
	RMB178,660,000		RMB178,660,000
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No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
61.	An industrial complex located in Baodong Town, Hulin, Jixi, Heilongjiang Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 198,381.00 sq. m.</p> <p>The property is located in Baodong Town of Hulin in Jixi. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 66,018.80 sq. m. and some ancillary structures which were completed during the period of 2012–2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 33,725.50 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 28 August 2056 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB140,850,000</p> <p>(100% interests attributable to the Group: RMB140,850,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Hu Guo Yong (2010) Di 0105, the land use rights of a parcel of land with a site area of approximately 198,381.00 sq. m. have been granted to COFCO Rice (Hulin) Limited (中糧米業(虎林)有限公司) (“COFCO Rice (Hulin)”), which is a wholly-owned subsidiary of the Company, for a term expiring on 28 August 2056 for industrial use.

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 66,018.80 sq. m. is vested in COFCO Rice (Hulin). Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
1.	Fu Fang Quan Zheng Zi 2015003718	1,564.68	Industrial
2.	Fu Fang Quan Zheng Zi 2015003720	2,223.12	Industrial
3.	Fu Fang Quan Zheng Zi 2015003722	93.11	Industrial
4.	Fu Fang Quan Zheng Zi 2015003723	3,337.44	Industrial
5.	Fu Fang Quan Zheng Zi 2015003724	89.05	Industrial
6.	Fu Fang Quan Zheng Zi 2015003725	338.12	Industrial
7.	Fu Fang Quan Zheng Zi 2015003726	5,173.44	Industrial
8.	Fu Fang Quan Zheng Zi 2015003727	8,883.32	Industrial
9.	Fu Fang Quan Zheng Zi 2015003728	539.89	Industrial
10.	Fu Fang Quan Zheng Zi 2015003730	17,418.49	Industrial
11.	Fu Fang Quan Zheng Zi 2015003733	4,173.60	Industrial
12.	Fu Fang Quan Zheng Zi 2015003736	2,981.32	Industrial
13.	Fu Fang Quan Zheng Zi 2015003737	4,460.60	Industrial
14.	Fu Fang Quan Zheng Zi 2015003738	106.09	Industrial
15.	Fu Fang Quan Zheng Zi 2015003739	57.36	Industrial
16.	Fu Fang Quan Zheng Zi 2015003741	29.25	Industrial
17.	Fu Fang Quan Zheng Zi 2015003742	678.50	Industrial
18.	Fu Fang Quan Zheng Zi 2015003743	1,920.69	Industrial
19.	Fu Fang Quan Zheng Zi 2015003744	1,730.51	Industrial
20.	Fu Fang Quan Zheng Zi 2015003745	8,255.76	Industrial
21.	Fu Fang Quan Zheng Zi 2015004571	294.06	Industrial
22.	Fu Fang Quan Zheng Zi 2015004572	57.56	Industrial
23.	Fu Fang Quan Zheng Zi 2015004573	540.96	Industrial
24.	Fu Fang Quan Zheng Zi 2015004574	1,071.88	Industrial

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 33,725.50 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB70,810,000 as at the valuation date (equivalent to RMB70,810,000, 100% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. COFCO Rice (Hulin) is entitled to transfer, let, mortgage or by other legal mean dispose of land use rights of the property;
 - the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Rice (Hulin) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - COFCO Rice (Hulin) has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 33,725.50 sq. m.; and
 - the title of the structures of the property is clear and complete and COFCO Rice (Hulin) can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
62.	An industrial complex located in Chuangye Farmland, Fujin, Jiamusi, Heilongjiang Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 476,492.00 sq. m.</p> <p>The property is located in Chuangye Farmland of Fujin in Jiamusi. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 66,842.42 sq. m. and some ancillary structures which were completed during the period of 2014–2018.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 45,346.03 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 16 October 2060 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB196,370,000</p> <p>(81.55% interests attributable to the Group: RMB160,139,735)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Hei Guo Yong (2011) Di 24300185, the land use rights of a parcel of land with a site area of approximately 476,492.00 sq. m. have been granted to COFCO Rice (Jiansanjiang) Co., Ltd. (中糧建三江米業有限公司) (“COFCO Rice (Jiansanjiang)”), which is a 81.55% owned subsidiary of the Company, for a term expiring on 16 October 2060 for industrial use.

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 66,842.42 sq. m. is vested in COFCO Rice (Jiansanjiang). Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
1.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000711	437.13	Industrial
2.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000712	57.85	Industrial
3.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000713	5,892.75	Industrial
4.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000714	5,892.75	Industrial
5.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000715	844.75	Industrial
6.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000716	3,445.65	Industrial
7.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000717	4,192.98	Industrial
8.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000722	546.05	Industrial
9.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000723	536.35	Industrial
10.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000724	29.25	Industrial
11.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000725	3,339.81	Industrial
12.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000726	365.76	Industrial
13.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000727	181.28	Industrial
14.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000730	2,455.25	Industrial
15.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000731	1,212.75	Industrial
16.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000732	925.60	Industrial
17.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000733	181.25	Industrial
18.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000734	5,310.75	Industrial
19.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000735	5,310.75	Industrial
20.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000736	5,310.75	Industrial
21.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000737	5,310.75	Industrial
22.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000741	9,169.46	Industrial
23.	Jian San Jiang Fang Quan Zheng Chuang Ye Zi Di S3000742	5,892.75	Industrial

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 45,346.03 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purposes, the depreciated replacement cost of those buildings was RMB92,110,000 at the valuation date (equivalent to RMB75,115,705, 81.55% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. COFCO Rice (Jiansanjiang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Rice (Jiansanjiang) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - COFCO Rice (Jiansanjiang) has not obtained the relevant building ownership certificate for some buildings with a total gross floor area of approximately 45,346.03 sq. m.; and
 - the title of the structures of the property is clear and complete and COFCO Rice (Jiansanjiang) can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
63.	An industrial complex located at Jigu Road, Jilin Economic Development Zone, Jilin, Jilin Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 204,324.83 sq. m.</p> <p>The property is located in Jilin Economic Development Zone of Jilin. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The land comprises various buildings with a total gross floor area of approximately 63,376.94 sq. m. and some ancillary structures which were completed during the period of 2012 to 2018.</p> <p>The land use rights of the property have been granted for a term expiring on 22 December 2060 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB240,480,000</p> <p>(100% interests attributable to the Group: RMB240,480,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Ji Shi Guo Yong (2014) Di 220202002033, the land use rights of a parcel of land with a site area of approximately 204,324.83 sq. m. have been granted to COFCO Rice (Jilin) Limited (中糧米業(吉林)有限公司) (“COFCO Rice (Jilin)”), which is a wholly-owned subsidiary of the Company, for a term expiring on 22 December 2060 for industrial use.
- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 63,376.94 sq. m. is vested in COFCO Rice (Jilin). Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq.m.)	Use
1.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0005906	758.29	Industrial
2.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006499	4,782.67	Industrial
3.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006503	6,001.84	Industrial
4.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006505	7,648.20	Industrial
5.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006506	6,001.84	Industrial
6.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006507	114.81	Industrial
7.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006508	1,156.35	Industrial
8.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006509	3,648.15	Industrial
9.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006511	833.11	Industrial
10.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006513	3,470.32	Industrial
11.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006517	32.37	Industrial
12.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006519	11,030.56	Industrial

No.	Certificate No.	Gross Floor Area (sq.m.)	Use
13.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006521	375.45	Industrial
14.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006524	2,899.06	Industrial
15.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006525	97.92	Industrial
16.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006528	2,671.80	Industrial
17.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006529	2,169.00	Industrial
18.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0006530	1,601.67	Industrial
19.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0010497	2,694.51	Industrial
20.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0010498	2,694.51	Industrial
21.	Ji (2019)Ji Lin Shi Bu Dong Chan Quan 0010499	2,694.51	Industrial

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:

- the title of the land use rights of the property is clear and complete. COFCO Rice (Jilin) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
- the title of the building ownership rights of the property is clear and complete. COFCO Rice (Jilin) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property; and
- the title of the structures of the property is clear and complete and COFCO Rice (Jilin) can dispose the structures together with the property.

4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
64.	An industrial complex located at No. 2570 Panshi Avenue, Panshi, Jilin, Jilin Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 12,031.30 sq. m.</p> <p>The property is located in Panshi of Jilin. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 3,510.42 sq. m. and some ancillary structures which were completed during the period of 2004 to 2017.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also two buildings with a total gross floor area of approximately 282.00 sq. m. that were constructed without obtaining relevant construction permits and title documents. Also, there is a piece of structure which was built outside the land of the property.</p> <p>The land use rights of the property have been leased for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	No commercial value (See Note 3)

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Pan Guo Yong (2015) Di 028432422, the land use rights of a parcel of land with a site area of approximately 12,031.30 sq. m. have been leased to COFCO Rice (Panshi) Co., Ltd. (中糧米業(磐石)有限公司) (“COFCO Rice (Panshi)”), which is a 82.21% owned subsidiary of the Company, for industrial use.
- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 3,510.42 sq. m. is vested in COFCO Rice (Panshi). Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
1.	Pan Fang Quan Zheng Pan Shi Zi Di 0020043000100026092	118.35	Industrial

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
2.	Pan Fang Quan Zheng Pan Shi Zi Di 0020044000100026091	650.00	Industrial
3.	Pan Fang Quan Zheng Pan Shi Zi Di 0020049000100026090	1,112.52	Industrial
4.	Pan Fang Quan Zheng Pan Shi Zi Di 0020050000100026089	266.19	Industrial
5.	Pan Fang Quan Zheng Pan Shi Zi Di 0020058000100026088	103.15	Industrial
6.	Pan Fang Quan Zheng Pan Shi Zi Di 0020059000100034078	1,260.21	Industrial
3.	In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 3,510.42 sq.m. which were built on leased land and the buildings with a total gross floor area of approximately 282.00 sq.m. which were constructed without obtaining relevant construction permits and title documents and also the structures which were built outside the land of the property. For your reference purposes, the depreciated replacement cost of those buildings and structures was RMB8,100,000 as at the valuation date (equivalent to RMB6,659,010, 82.21% interests attributable to the Group).		
4.	We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:		
	i. the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Rice (Panshi) is entitled to transfer, let, mortgage or by other legal mean dispose of those building ownership rights of the property;		
	ii. COFCO Rice (Panshi) has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 282.00 sq.m.;		
	iii. in respect of the structures which were built over the leased land, COFCO Rice (Panshi) can dispose the structures together with the property after obtaining the approval from the relevant administrative departments and the relevant land premium has been paid; and		
	iv. some of the structure was built outside the land of the property.		
5.	For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.		

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
65.	An industrial complex located at east of Huha Road, Xincheng District, Hohhot, Inner Mongolia Autonomous Region, PRC	<p>The property comprises two parcels of land with a total site area of approximately 199,727.07 sq. m.</p> <p>The property is located in Xincheng District of Hohhot. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 7,211.68 sq. m. and some ancillary structures which were completed during the period of 2012–2016.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise two buildings with a total planned gross floor area of approximately 269.25 sq. m.</p> <p>As advised by the Group, the buildings and CIP of the property were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been allocated for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>No commercial value (See Note 2)</p>

Notes:

1. Pursuant to two State-owned Land Use Rights Certificates, the land use rights of two parcels of land with a total site area of approximately 199,727.07 sq. m. have been allocated to Hohhot COFCO Flour Industry Co., Ltd. (呼和浩特中糧麵業有限公司) ("Hohhot COFCO Flour"), which is a 70% owned subsidiary of the Company.
2. In the course of our valuation, we have assigned no commercial value to the property due to the prohibition against assignment. For your reference purpose, the depreciated replacement cost of the buildings, CIP and structures of the property was RMB22,800,000 as at the valuation date (equivalent to RMB15,960,000, 70% interests attributable to the Group).
3. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB1,300,000, of which approximately RMB1,300,000 has been paid up to the valuation date.
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. Hohhot COFCO Flour has not obtained the title documents and construction permits for the property.
5. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	No commercial value	70%	No commercial value
Group III – held by the Group under development	No commercial value	70%	No commercial value
	<hr/>		<hr/>
	No commercial value		No commercial value
	<hr/>		<hr/>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
66.	An industrial complex located at east of Zhongyang Avenue, Pingluo County, Shisuishan, Ningxia Hui Autonomous Region, PRC	<p>The property comprises a parcel of land with a site area of approximately 134,043.42 sq. m.</p> <p>The property is located in Pingluo County of Shujushan. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 32,726.13 sq. m. and some ancillary structures which were completed during the period of 2011–2018.</p> <p>The land use rights of the property have been granted for a term expiring on 20 September 2060 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	RMB81,660,000 (100% interests attributable to the Group: RMB81,660,000)

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Ping Guo Yong (2010) Di 60093, the land use rights of a parcel of land with a site area of approximately 134,043.42 sq. m. have been granted to COFCO Ningxia Rice Processing Limited (中糧米業(寧夏)有限公司) (“COFCO Ningxia Rice Processing”), which is a wholly-owned subsidiary of the Company, for a term expiring on 20 September 2060 for industrial use.
- Pursuant to the Building Ownership Certificate – No. Fang Chan Quan Ping Zi Di 2013-43154, the building ownership of the property with a gross floor area of approximately 32,726.13 sq. m. is vested in COFCO Ningxia Rice Processing for industrial use.
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. COFCO Ningxia Rice Processing is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property is clear and complete. COFCO Ningxia Rice Processing is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property; and
 - the title of the structures of the property is clear and complete and COFCO Ningxia Rice Processing can dispose the structures together with the property.
- For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
67.	An industrial complex located at the junction between Gongye Avenue and Jincheng Road, Chengguan Town Industrial Park, Chengguan Town, Yueyang County, Yueyang, Hunan Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 156,506.70 sq. m.</p> <p>The property is located in Chengguan Town Industrial Park of Yueyang County. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 54,724.12 sq. m. and some ancillary structures which were completed during the period of 2015–2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 12,616.00 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring in April 2062 for industrial use.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB168,080,000</p> <p>(100% interests attributable to the Group: RMB168,080,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Yue Xian (2012) Di 0036, the land use rights of a parcel of land with a site area of approximately 156,506.70 sq. m. have been granted to COFCO Rice (Yueyang) Limited (中糧米業(岳陽)有限公司) (“COFCO Rice (Yueyang)”), which is a wholly-owned subsidiary of the Company, for a term expiring in April 2062 for industrial use.
- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 54,724.12 sq. m. is vested in COFCO Rice (Yueyang). Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
1.	Yue Xian Cheng Guan Zheng Di 046971	6,374.61	Industrial
2.	Yue Xian Cheng Guan Zheng Di 046970	1,850.77	Industrial
3.	Yue Xian Cheng Guan Zheng Di 046976	8,251.98	Industrial
4.	Yue Xian Cheng Guan Zheng Di 046977	994.28	Industrial
5.	Yue Xian Cheng Guan Zheng Di 046972	8,685.91	Industrial
6.	Yue Xian Cheng Guan Zheng Di 046973	2,377.46	Industrial

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
7.	Yue Xian Cheng Guan Zheng Di 046974	1,164.62	Industrial
8.	Yue Xian Cheng Guan Zheng Di 046978	5,439.66	Industrial
9.	Yue Xian Cheng Guan Zheng Di 046966	80.48	Industrial
10.	Yue Xian Cheng Guan Zheng Di 046967	5,439.66	Industrial
11.	Yue Xian Cheng Guan Zheng Di 046968	370.14	Industrial
12.	Yue Xian Cheng Guan Zheng Di 046969	25.83	Industrial
13.	Yue Xian Cheng Guan Zheng Di 046979	55.75	Industrial
14.	Yue Xian Cheng Guan Zheng Di 047049	110.16	Industrial
15.	Yue Xian Cheng Guan Zheng Di 046963	1,466.04	Industrial
16.	Yue Xian Cheng Guan Zheng Di 046964	248.22	Industrial
17.	Yue Xian Cheng Guan Zheng Di 046965	7,353.88	Industrial
18.	Yue Xian Cheng Guan Zheng Di 046975	4,434.67	Industrial

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 12,616.00 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB28,410,000 as at the valuation date (equivalent to RMB28,410,000, 100% interests attributable to the Group).

4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:

- the title of the land use rights of the property is clear and complete. COFCO Rice (Yueyang) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
- the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Rice (Yueyang) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
- COFCO Rice (Yueyang) has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 12,616.00 sq. m.; and
- the title of the structures of the property is clear and complete and COFCO Rice (Yueyang) can dispose the structures together with the property.

5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
68.	An industrial complex located at No. 3 Pengtai Road, Qinhuangdao Economic Development Zone, Qinhuangdao, Hebei Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 180,009.07 sq. m.</p> <p>The property is located in Qinhuangdao Economic Development Zone of Qinhuangdao. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 77,778.82 sq. m. and some ancillary structures which were completed during the period of 1994–2017.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 5,632.69 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 31 August 2043 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB76,050,000</p> <p>(100% interests attributable to the Group: RMB76,050,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Qin Ji Guo Yong 2006 Di Qin Kai (Dong) 015, the land use rights of a parcel of land with a site area of approximately 180,009.07 sq. m. have been granted to COFCO Flour Industry (Qinhuangdao) PangThai Co., Ltd. (中糧麵業(秦皇島)鵬泰有限公司) (“COFCO Flour Industry (Qinhuangdao)”), which is a wholly-owned subsidiary of the Company, for a term expiring on 31 August 2043 for industrial use.
- Pursuant to the Building Ownership Certificate – No. Qin San Kai Fang Zi Di 200005362, the building ownership of the property with a total gross floor area of approximately 77,778.82 sq. m. is vested in COFCO Flour Industry (Qinhuangdao).
- In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 5,632.69 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB2,320,000 as at the valuation date (equivalent to RMB2,320,000, 100% interests attributable to the Group).

4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. COFCO Flour Industry (Qinhuangdao) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Flour Industry (Qinhuangdao) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - iii. COFCO Flour Industry (Qinhuangdao) has not obtained the relevant building ownership certificate for the buildings with a total gross floor area of approximately 5,632.69 sq. m.; and
 - iv. the title of the structures of the property is clear and complete and COFCO Flour Industry (Qinhuangdao) can dispose the structures together with the property.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
69.	An industrial complex located at Nos. 12–15 Hening Road, Huli District, Xiamen, Fujian Province, PRC	<p>The property comprises various parcels of land with a total site area of approximately 34,821.07 sq. m.</p> <p>The property is located in Huli District of Xiamen. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 20,332.21 sq. m. and some ancillary structures which were completed during the period of 1994–2017.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 6,220.23 sq. m. and some ancillary structures that were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property.</p> <p>The land use rights of the property have been allocated for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	No commercial value (See Note 2)

Notes:

- Pursuant to the various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 20,332.21 sq. m. together with the corresponding land use rights of various parcels of land with a total site area of approximately 34,821.07 sq. m. are vested in Xiamen Haijia Flour Co., Ltd. (廈門海嘉麵粉有限公司) (“Xiamen Haijia Flour”), which is a 60% owned subsidiary of the Company. Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
1.	Xia Guo Tu Fang Zheng Di 00753368	3,496.34	Industrial
2.	Xia Guo Tu Fang Zheng Di 00753366	719.69	Industrial
3.	Xia Guo Tu Fang Zheng Di 00753370	2,036.74	Industrial
4.	Xia Guo Tu Fang Zheng Di 00753369	4,691.70	Industrial
5.	Xia Guo Tu Fang Zheng Di 00753371	214.33	Industrial

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
6.	Xia Guo Tu Fang Zheng Di 00753355	95.45	Industrial
7.	Xia Guo Tu Fang Zheng Di 00753372	52.12	Industrial
8.	Xia Guo Tu Fang Zheng Di 00753356	3,906.28	Industrial
9.	Xia Guo Tu Fang Zheng Di 00753357	831.40	Industrial
10.	Xia Guo Tu Fang Zheng Di 00753373	4,288.16	Industrial

2. In the course of our valuation, we have assigned no commercial value to the property due to the prohibition against assignment. For your reference purpose, the depreciated replacement cost of the buildings and structures of the property was RMB45,420,000 as at the valuation date (equivalent to RMB27,252,000, 60% interests attributable to the Group).

3. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:

- the land use rights of the property are allocated in nature and Xiamen Haijia Flour is only entitled to occupy and use but is not allowed to transfer, lease or mortgage those land use rights unless the modification formalities have been done and the relevant land premium has been paid;
- in respect of the buildings which were built over the allocated land, Xiamen Haijia Flour will be entitled to transfer, lease, mortgage or by other legal mean dispose of those buildings after obtaining the approval from the relevant administrative departments and the relevant land premium has been paid;
- Xiamen Haijia Flour has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 6,220.23 sq. m. and those buildings were built outside the land of the property;
- in respect of the structures which were built over the allocated land, Xiamen Haijia Flour can dispose the structures together with the property after obtaining the approval from the relevant administrative departments and the relevant land premium has been paid; and
- some of the structures were built outside the land of the property.

4. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
70.	An industrial complex located at No. 33 Shidai Road, Haining Economic Development Zone, Haining, Zhejiang Province, PRC	<p>The property comprises two parcels of land with a total site area of approximately 118,286.00 sq. m.</p> <p>The property is located in Haining Economic Development Zone of Haining. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 73,189.23 sq. m. and some ancillary structures which were completed during the period of 2012–2019.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a workshop with a planned gross floor area of approximately 8,312.85 sq. m.</p> <p>As advised by the Group, the CIP of the property was constructed without obtaining relevant construction permits.</p> <p>The land use rights of the property have been granted for a term expiring on 28 October 2060 for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB209,950,000</p> <p>(94.33% interests attributable to the Group: RMB198,045,835)</p> <p>(See Note 4)</p>

Notes:

1. Pursuant to various State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 118,286.00 sq. m. have been granted to COFCO Flour Industry (Haining) Co., Ltd. (中糧麵業(海寧)有限公司) (“COFCO Flour Industry (Haining)”), which is a 94.33% owned subsidiary of the Company, for a term expiring on 28 October 2060 for industrial use. Details of the said certificates are as follows:

No.	Certificate No.	Land Use Term		Use
		Site Area (sq.m.)	Expiry Date	
1.	Hai Guo Yong (2010) Di 05203	11,861.00	28 October 2060	Industrial
2.	Hai Guo Yong (2010) Di 05204	106,425.00	28 October 2060	Industrial

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 73,189.23 sq. m. is vested in COFCO Flour Industry (Haining). Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq.m.)	Use
1.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055741	40.13	Industrial
2.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055740	40.13	Industrial
3.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055743	57.49	Industrial
4.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055737	16.33	Industrial
5.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055747	9,515.46	Industrial
6.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055748	2,817.81	Industrial
7.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055744	34,655.36	Industrial
8.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055739	5,731.14	Industrial
9.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055746	11,948.84	Industrial
10.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055748	46.12	Industrial
11.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055738	7,371.94	Industrial
12.	Zhe (2017) Hai Ning Shi Bu Dong Chan Quan 0055742	948.48	Industrial

3. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB13,460,000, of which approximately RMB11,760,000 has been paid up to the valuation date.
4. In the course of our valuation, we have assigned no commercial value to the CIP with a total gross floor area of approximately 8,312.85 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of the CIP of the property was RMB11,760,000 as at the valuation date (equivalent to RMB11,093,208, 94.33% interests attributable to the Group).

5. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- i. the title of the land use rights of the property is clear and complete. COFCO Flour Industry (Haining) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Flour Industry (Haining) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - iii. COFCO Flour Industry (Haining) has not obtained the relevant construction planning permits for the CIP of the property ; and
 - iv. the title of the structures of the property is clear and complete and COFCO Flour Industry (Haining) can dispose the structures together with the property.
6. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB209,950,000	94.33%	RMB198,045,835
Group III – held by the Group under development	No commercial value	94.33%	No commercial value
	<u>RMB209,950,000</u>		<u>RMB198,045,835</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
71.	An industrial complex located at No. 2 Beihua Road, Beihuan Industrial Zone, Jinghai County, Tianjin, PRC	<p>The property comprises a parcel of land with a site area of approximately 76,487.70 sq. m.</p> <p>The property is located in Beihuan Industrial Zone of Jinghai County in Tianjin. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 45,326.18 sq. m. which were completed in 2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 31,958.52 sq. m. and a piece of structure that were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2021. As advised by the Group, upon completion, the CIP will comprise a workshop with a planned gross floor area of approximately 8,292.59 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 18 November 2062 for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB260,930,000</p> <p>(60% interests attributable to the Group: RMB156,558,000)</p> <p>(See Note 4)</p>

Notes:

- Pursuant to the Building Ownership Certificate – No. Jin Zi Di 123051200756, the building ownership of the property with a total gross floor area of approximately 45,326.18 sq. m. together with the corresponding land use rights of a parcel of land with a site area of approximately 76,487.70 sq. m. for a term expiring on 18 November

2062 are vested in COFCO Lijin (Tianjin) Grain and Oil Co., Ltd. Jinghai Branch (中糧利金(天津)糧油股份有限公司靜海分公司) (“COFCO Lijin (Tianjin) Grain and Oil”), which is a 60% owned subsidiary of the Company for industrial use.

2. As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB76,110,000, of which approximately RMB44,500,000 has been paid up to the valuation date.
3. The market value of the CIP of the property as if completed as at the valuation date is estimated to be RMB81,220,000 (equivalent to RMB48,732,000, 60% interests attributable to the Group).
4. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 31,958.52 sq. m. and a piece of structure which were constructed without obtaining relevant construction permits and title documents and were built outside the land of the property. For your reference purpose, the depreciated replacement cost of those buildings and structure of the property was RMB152,130,000 as at the valuation date (equivalent to RMB91,278,000, 60% interests attributable to the Group).
5. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. COFCO Lijin (Tianjin) Grain and Oil is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - ii. the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Lijin (Tianjin) Grain and Oil is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - iii. COFCO Lijin (Tianjin) Grain and Oil has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 31,958.52 sq. m. and those buildings were built outside the land of the property; and
 - iv. all the relevant formalities have been passed for the CIP of the property completely and there are no legal impediments for COFCO Lijin (Tianjin) Grain and Oil to carry out construction.
6. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB179,710,000	60%	RMB107,826,000
Group III – held by the Group under development	RMB81,220,000	60%	RMB48,732,000
	<u>RMB260,930,000</u>		<u>RMB156,558,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
72.	An industrial complex located in Hongyan Village and Qingliang Village, Jinhua Town, Xinjin County, Chengdu, Sichuan Province, PRC	<p>The property comprises four parcels of land with a total site area of approximately 599,664.88 sq. m.</p> <p>The property is located in Hongyan Village and Qingliang Village of Jinhua Town in Chengdu. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the land of the property comprises various buildings with a total gross floor area of approximately 174,131.52 sq. m. and some ancillary structures which were completed during the period of 2012 to 2019.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there is a structure that were built outside the land of the property.</p> <p>The remaining portion of the land of the property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise two buildings with a total planned gross floor area of approximately 3,852.00 sq. m.</p> <p>As advised by the Group, the CIP of the property was constructed without obtaining relevant construction permits.</p> <p>The land use rights of the property have been granted for various terms expiring in between 2061 and 2066 for industrial use.</p>	<p>As at the valuation date, portion of the property was occupied by the Group for industrial use, and the remaining portion of the property was under construction.</p>	<p>RMB478,190,000</p> <p>(100% interests attributable to the Group: RMB478,190,000)</p> <p>(See Note 4)</p>

Notes:

1. Pursuant to various State-owned Land Use Rights Certificates, the land use rights of four parcels of lands with a total site area of approximately 599,664.88 sq. m. have been granted to COFCO (Chengdu) Oils & Grains Industries Co., Ltd. (中糧(成都)糧油工業有限公司) (“COFCO (Chengdu) Oils & Grains Industries”), which is a wholly- owned subsidiary of the Company. Details of the said certificates are as follows:

No.	Certificate No.	Site Area (sq. m.)	Land Use Term	Use
			Expiry Date	
1.	Xin Jin Guo Yong (2011) Di 2578	62,412.87	25 May 2061	Industrial
2.	Xin Jin Guo Yong (2011) Di 3174	205,956.45	24 November 2061	Industrial
3.	Xin Jin Guo Yong (2005) 9235	315,275.97	25 April 2062	Industrial
4.	Chuan (2018) Xin Jin Xian Bu Dong Chan Di 0012310	16,019.59	12 November 2066	Industrial

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 174,131.53 sq. m. is vested in COFCO (Chengdu) Oils & Grains Industries. Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area	Use
		(sq. m.)	
1	Jin Fang Quan Zheng Jian Zi Di 0208667	5,472.23	Industrial
2	Jin Fang Quan Zheng Jian Zi Di 0208668	129.42	Industrial
3	Jin Fang Quan Zheng Jian Zi Di 0208669	1,041.35	Industrial
4	Jin Fang Quan Zheng Jian Zi Di 0208670	3,519.59	Industrial
5	Jin Fang Quan Zheng Jian Zi Di 0208671	3,519.59	Industrial
6	Jin Fang Quan Zheng Jian Zi Di 0208672	2,354.98	Industrial
7	Jin Fang Quan Zheng Jian Zi Di 0208673	2,354.98	Industrial
8	Jin Fang Quan Zheng Jian Zi Di 0208674	2,354.98	Industrial
9	Jin Fang Quan Zheng Jian Zi Di 0208675	2,354.98	Industrial
10	Jin Fang Quan Zheng Jian Zi Di 0208676	735.68	Industrial
11	Jin Fang Quan Zheng Jian Zi Di 0208677	2,354.98	Industrial
12	Jin Fang Quan Zheng Jian Zi Di 0208678	5,472.23	Industrial
13	Jin Fang Quan Zheng Jian Zi Di 0208679	804.06	Industrial
14	Jin Fang Quan Zheng Jian Zi Di 0208680	3,266.67	Industrial
15	Jin Fang Quan Zheng Jian Zi Di 0208681	241.90	Industrial
16	Jin Fang Quan Zheng Jian Zi Di 0208682	11,868.19	Industrial
17	Jin Fang Quan Zheng Jian Zi Di 0208683	762.26	Industrial
18	Jin Fang Quan Zheng Jian Zi Di 0208684	5,840.87	Industrial
19	Jin Fang Quan Zheng Jian Zi Di 0208685	6,139.51	Industrial
20	Jin Fang Quan Zheng Jian Zi Di 0208686	1,768.55	Industrial
21	Jin Fang Quan Zheng Jian Zi Di 0208687	24.44	Industrial
22	Jin Fang Quan Zheng Jian Zi Di 0208688	24.44	Industrial
23	Jin Fang Quan Zheng Jian Zi Di 0208689	971.72	Industrial
24	Jin Fang Quan Zheng Jian Zi Di 0208692	6,489.59	Industrial
25	Jin Fang Quan Zheng Jian Zi Di 0208693	3,060.18	Industrial
26	Jin Fang Quan Zheng Jian Zi Di 0208694	1,480.55	Industrial
27	Jin Fang Quan Zheng Jian Zi Di 0208695	1,651.51	Industrial
28	Jin Fang Quan Zheng Jian Zi Di 0208696	582.66	Industrial
29	Jin Fang Quan Zheng Jian Zi Di 0208697	343.64	Industrial
30	Jin Fang Quan Zheng Jian Zi Di 0208698	236.01	Industrial
31	Jin Fang Quan Zheng Jian Zi Di 0208699	462.16	Industrial

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
32	Jin Fang Quan Zheng Jian Zi Di 0208700	3,519.59	Industrial
33	Jin Fang Quan Zheng Jian Zi Di 0208701	3,519.59	Industrial
34	Jin Fang Quan Zheng Jian Zi Di 0208702	346.34	Industrial
35	Jin Fang Quan Zheng Jian Zi Di 0208703	5,754.20	Industrial
36	Jin Fang Quan Zheng Jian Zi Di 0208704	3,519.59	Industrial
37	Jin Fang Quan Zheng Jian Zi Di 0208705	3,519.59	Industrial
38	Jin Fang Quan Zheng Jian Zi Di 0208717	3,519.59	Industrial
39	Jin Fang Quan Zheng Jian Zi Di 0208718	3,519.59	Industrial
40	Jin Fang Quan Zheng Jian Zi Di 0208719	8,714.41	Industrial
41	Jin Fang Quan Zheng Jian Zi Di 0208720	91.00	Industrial
42	Jin Fang Quan Zheng Jian Zi Di 0208721	391.40	Industrial
43	Jin Fang Quan Zheng Jian Zi Di 0208722	53.50	Industrial
44	Jin Fang Quan Zheng Jian Zi Di 0208723	12,575.04	Industrial
45	Jin Fang Quan Zheng Jian Zi Di 0208724	18,635.97	Industrial
46	Jin Fang Quan Zheng Jian Zi Di 0208725	845.55	Industrial
47	Jin Fang Quan Zheng Jian Zi Di 0208726	125.22	Industrial
48	Jin Fang Quan Zheng Jian Zi Di 0208727	13,186.24	Industrial
49	Jin Fang Quan Zheng Jian Zi Di 0208728	307.14	Industrial
50	Jin Fang Quan Zheng Jian Zi Di 0208729	7,885.39	Industrial
51	Jin Fang Quan Zheng Jian Zi Di 0208730	234.16	Industrial
52	Jin Fang Quan Zheng Jian Zi Di 0208731	234.16	Industrial
53	Jin Fang Quan Zheng Jian Zi Di 0208734	2,523.23	Industrial
54	Jin Fang Quan Zheng Jian Zi Di 0208735	2,140.68	Industrial
55	Jin Fang Quan Zheng Jian Zi Di 0208736	839.84	Industrial
56	Jin Fang Quan Zheng Jian Zi Di 0208737	414.12	Industrial
57	Jin Fang Quan Zheng Jian Zi Di 0208738	32.50	Industrial
3.	As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB11,380,000, of which approximately RMB10,210,000 has been paid up to the valuation date.		
4.	In the course of our valuation, we have assigned no commercial value to the CIP which was constructed without obtaining relevant construction permits and a structure which was built outside the land of the property. For your reference purpose, the depreciated replacement cost of those CIP and structure of the property was RMB71,920,000 as at the valuation date (equivalent to RMB71,920,000, 100% interests attributable to the Group).		
5.	We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:		
i.	the title of the land use rights of the property is clear and complete. COFCO (Chengdu) Oils & Grains Industries is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;		
ii.	the title of the building ownership rights of the property is clear and complete. COFCO (Chengdu) Oils & Grains Industries is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;		
iii.	COFCO (Chengdu) Oils & Grains Industries has not obtained the relevant construction permits for the CIP of the property; and		
iv.	in respect of the structures which were built inside the land of the property, the title of those structures of the property is clear and complete and COFCO (Chengdu) Oils & Grains Industries can dispose the structures together with the property.		

6. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is as below:

	Market value in existing state as at 30 November 2019	Interests attributable to the Group	Market value attributable to the Group as at 30 November 2019
Group			
Group I – held by the Group for owner occupation	RMB478,190,000	100%	RMB478,190,000
Group III – held by the Group under development	No commercial value	100%	No commercial value
	<u>RMB478,190,000</u>		<u>RMB478,190,000</u>

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
73.	An industrial complex located at the north of Xiantao Avenue, Xiantao, Hubei Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 159,943.35 sq. m.</p> <p>The property is located in Xiantao Avenue of Xiantao. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>Portion of the property comprises various buildings with a total gross floor area of approximately 56,906.78 sq. m. and some ancillary structures which were completed during the period of 2014–2018.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 4,285.41 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for a term expiring on 1 January 2062 for industrial use.</p>	<p>As at the valuation date, the property was occupied by the Group for industrial use.</p>	<p>RMB184,830,000</p> <p>(100% interests attributable to the Group: RMB184,830,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Xian Guo Yong (2012) Di 2718, the land use rights of a parcel of land with a site area of approximately 159,943.35 sq. m. have been granted to COFCO Rice (Xiantao) Limited (中糧米業仙桃有限公司) (“COFCO Rice Xian Tao”), which is a wholly-owned subsidiary of the Company, for a term expiring on 1 January 2062 for industrial use.

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 56,906.78 sq. m. is vested in COFCO Rice Xian Tao. Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
1.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021757	15,577.74	Industrial
2.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021755	5,330.04	Industrial
3.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021749	5,445.09	Industrial
4.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021756	6,997.54	Industrial
5.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021759	5,330.04	Industrial
6.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021754	2,895.35	Industrial
7.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021740	5,974.19	Industrial
8.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021775	4,370.83	Industrial
9.	E(2018) Xian Tao Shi Bu Dong Chan Di 0021758	4,985.96	Industrial

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 4,285.41 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB10,120,000 as at the valuation date (equivalent to RMB10,120,000, 100% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. COFCO Rice Xian Tao is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Rice Xian Tao is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property; and
 - COFCO Rice Xian Tao has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 4,285.41 sq. m.
5. For the purpose of this report, the property is classified into the group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
74.	An industrial complex located at No. 23 Gongye Avenue, Hulunbuir, Inner Mongolia Autonomous Region, PRC	<p>The property comprises two parcels of land with a total site area of approximately 110,050.00 sq. m.</p> <p>The property is located in Hulunbuir of Inner Mongolia Autonomous Region. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property comprises various buildings with a total gross floor area of approximately 50,490.97 sq. m. and some ancillary structures which were completed during the period of 2014–2018.</p> <p>As advised by the Group, in addition to the aforesaid buildings, there are also some buildings with a total gross floor area of approximately 3,108.66 sq. m. that were constructed without obtaining relevant construction permits and title documents.</p> <p>The land use rights of the property have been granted for two terms expiring on 1 December 2058 and 12 June 2059 respectively for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB58,490,000</p> <p>(100% interests attributable to the Group: RMB58,490,000)</p> <p>(See Note 3)</p>

Notes:

- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of two parcels of land with a total site area of approximately 110,050.00 sq. m. have been granted to COFCO Malt (Hulunbeier) Co., Ltd. (中糧麥芽(呼倫貝爾)有限公司) (“COFCO Malt (Hulunbeier)”), which is a wholly-owned subsidiary of the Company. Details of the said certificates are as follows:

No.	Certificate No.	Site Area (sq. m.)	Land Use Term		Use
			Expiry Date		
1.	Ya Guo Yong (2009) Di 0721	15,330.00	12 June 2059		Industrial
2.	Ya Guo Yong (2009) Di 0014	94,720.00	1 December 2058		Industrial

2. Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 50,490.97 sq. m. is vested in COFCO Malt (Hulunbeier). Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
1.	Meng Fang Quan Zheng Ya He Shi Zi Di 114021200126	2,080.54	Industrial
2.	Meng Fang Quan Zheng Ya He Shi Zi Di 114021200124	5,013.16	Industrial
3.	Meng Fang Quan Zheng Ya He Shi Zi Di 114021200125	493.76	Industrial
4.	Meng Fang Quan Zheng Ya He Shi Zi Di 114021200127	3,428.40	Industrial
5.	Meng Fang Quan Zheng Ya He Shi Zi Di 114021200128	530.65	Industrial
6.	Meng Fang Quan Zheng Ya He Shi Zi Di 114021200130	26,824.99	Industrial
7.	Meng Fang Quan Zheng Ya He Shi Zi Di 114021200131	6,101.07	Industrial
8.	Meng Fang Quan Zheng Ya He Shi Zi Di 114021200132	6,018.40	Industrial

3. In the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 3,108.66 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of those buildings was RMB1,600,000 as at the valuation date (equivalent to RMB1,600,000, 100% interests attributable to the Group).
4. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
- the title of the land use rights of the property is clear and complete. COFCO Malt (Hulunbeier) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property;
 - the title of the building ownership rights of the property stated in Note 2 is clear and complete. COFCO Malt (Hulunbeier) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property;
 - COFCO Malt (Hulunbeier) has not obtained the relevant building ownership certificate for some of the buildings with a total gross floor area of approximately 3,108.66 sq. m.; and
 - the title of the structures of the property is clear and complete and COFCO Malt (Hulunbeier) can dispose the structures together with the property.
5. For the purpose of this report, since the property is currently traded in China Beijing Equity Exchange and therefore the property is classified into the group as "Group II – held by the Group for sale in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
75.	An industrial complex located at south of Changfeng Road and Hetao Avenue, North of Xinhua Street, Linhe District, Bayannaoer, Inner Mongolia Autonomous Region, PRC	<p>The property comprises a parcel of land with a site area of approximately 133,332.65 sq. m.</p> <p>The property is located in Linhe District of Bayannaoer. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise a building with a planned gross floor area of approximately 31,682.80 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 30 March 2068 for industrial use.</p>	As at the valuation date, the property was under construction.	<p>RMB110,110,000</p> <p>(100% interests attributable to the Group: RMB110,110,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Bu Dong Chan Quan Zheng Shu Meng (2018) Ba Shi Bu Dong Chan Quan Di 0005166, the land use rights of a parcel of land with a site area of approximately 133,332.65 sq. m. have been granted to COFCO Flour Industry (Bayannur) Co., Ltd. (中糧麵業(巴彥淖爾)有限公司) (“COFCO Flour Industry (Bayannur)”), which is a wholly-owned subsidiary of the Company, for a term expiring on 30 March 2068 for industrial use.
- As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB118,400,000, of which approximately RMB88,780,000 has been paid up to the valuation date.
- The market value of the CIP of the property as if completed as at the valuation date is estimated to be RMB141,330,000 (equivalent to RMB141,330,000, 100% interests attributable to the Group).
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. COFCO Flour Industry (Bayannur) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - the CIP has passed all the relevant formalities completely and there are no legal impediments for COFCO Flour Industry (Bayannur) to carry out construction.
- For the purpose of this report, the property is classified into the group as “Group III – held by the Group under development in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
76.	An industrial complex located at No. 979 Haihe Middle Road, Binhai New Area, Tianjin, PRC	<p>The property comprises a parcel of land with a site area of approximately 271,635.60 sq. m.</p> <p>The property is located in Binhai New Area of Tianjin. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p> <p>The property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2020. As advised by the Group, upon completion, the CIP will comprise various buildings with a total planned gross floor area of approximately 67,794.30 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 18 November 2062 for industrial use.</p>	As at the valuation date, the property was under construction.	<p>RMB249,030,000</p> <p>(60% interests attributable to the Group: RMB149,418,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate – No. Fang Di Zheng Jin Zi Di 150051500007, the land use rights of a parcel of land with a site area of approximately 271,635.60 sq. m. have been granted to Lida Grain and Oil Technology (Tianjin) Co., Ltd. (利達糧油科技(天津)有限公司) (“Lida Grain and Oil Technology”), which is a 60% owned subsidiary of the Company, for a term expiring on 18 November 2062 for industrial use.
- As advised by the Group, the total construction cost of the CIP of the property is estimated to be approximately RMB214,430,000, of which approximately RMB204,210,000 has been paid up to the valuation date.
- The market value of the CIP of the property as if completed as at the valuation date is estimated to be RMB418,630,000 (equivalent to RMB251,178,000, 60% interests attributable to the Group).
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the land use rights of the property is clear and complete. Lida Grain and Oil Technology is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - the CIP has passed all the relevant formalities completely and there are no legal impediments for Lida Grain and Oil Technology to carry out construction.
- For the purpose of this report, the property is classified into the group as “Group III – held by the Group under development in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
77.	Units 304 and 1305 of Building No. 1 of Yujinyuan, No. 32 Beiwa Road, Haidian District, Beijing, PRC	<p>The property comprises two residential units with a total gross floor area of approximately 200.96 sq. m. which was completed in 2010.</p> <p>The property is located in Haidien District of Beijing. The immediate locality is a residential area and is predominated by domestic buildings of various ages and heights.</p> <p>The land use rights of the property have been granted for a term 70 years for residential use.</p>	As at the valuation date, the property was occupied by the Group for dormitory use.	RMB13,660,000 (100% interests attributable to the Group: RMB13,660,000)

Notes:

- Pursuant to various Building Ownership Certificates, the building ownership of the property with a total gross floor area of approximately 200.96 sq. m. is vested in COFCO Flour Industry (Qinhuangdao) PangThai Co., Ltd. (中糧麵業(秦皇島)鵬泰有限公司) (“COFCO Flour Industry (Qinhuangdao)”), which is a wholly-owned subsidiary of the Company, for dormitory use. Details of the said certificates are as follows:

No.	Certificate No.	Gross Floor Area (sq. m.)	Use
1.	Jing Fang Quan Zheng Hai Zi Di 329423	129.43	Residential
2.	Jing Fang Quan Zheng Hai Zi Di 329424	71.53	Residential

- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - the title of the building ownership rights of the property is clear and complete. COFCO Flour Industry (Qinhuangdao) is entitled to transfer, let, mortgage or by other legal mean dispose of the building ownership rights of the property.
- In valuing the property, we have made reference to various sales of comparable properties which have characteristics comparables to the property. The unit prices of these comparable properties range from about RMB75,000 to 80,000/sq. m. The unit rate assumed by us is consistent with the relevant comparables after due adjustments have been made to reflect the differences between the property and the comparables including size, location, floor differences, quality and other characteristics.
- For the purpose of this report, since the property is currently traded in China Beijing Equity Exchange and therefore the property is classified into the group as “Group II – held by the Group for sale in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
78.	Various carparking spaces of Building No. 13, Yingqiu Lane, Haigang District, Qinhuangdao, Hebei Province, PRC	<p>The property comprises various carparking spaces with a total gross floor area of approximately 201.60 sq. m. which was completed in 1997.</p> <p>The property is located in Haigang District of Qinhuangdao. The immediate locality is an industrial area and is predominated by industrial buildings of various ages and heights.</p>	As at the valuation date, the property was occupied by the Group for carparking use.	No commercial value (See Note 1)

Notes:

- In the course of our valuation, we have assigned no commercial value to the property which was occupied by COFCO Flour Industry (Qinhuangdao) PangThai Co., Ltd. (中糧麵業(秦皇島)鵬泰有限公司) (“COFCO Flour Industry (Qinhuangdao)”), which is a wholly-owned subsidiary of the Company, and without obtaining relevant title documents. For your reference purpose, the market value of the property was RMB480,000 as at the valuation date (equivalent to RMB480,000, 100% interests attributable to the Group) had the Group obtained the building ownership certificate.
- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - COFCO Flour Industry (Qinhuangdao) has not obtained the relevant building ownership certificate for the property.
- For the purpose of this report, the property is classified into the group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
79.	A parcel of land located in Zhangpeng Cun, Machong Zhen, Dongguan City, Guangdong Province, PRC	<p>The property is land reclamation and has not yet formed land.</p> <p>Upon completion, the property will comprise two wharfs and is scheduled to be completed in 2020.</p> <p>As advised by the Group, the property was constructed without obtaining relevant construction permit and title documents.</p>	As at the valuation date, the property was under construction.	No commercial value (See Note 3)

Notes:

- The property comprises two piers developed by COFCO Trading (Guangdong) Co., Ltd. (中糧貿易(廣東)有限公司) ("COFCO Trading (Guangdong)"), which is a 75.26% owned subsidiary of the Company.
- As advised by the Group, the total construction cost of the property is estimated to be approximately RMB966,340,000, of which approximately RMB532,340,000 has been paid up to the date of valuation.
- In the course of our valuation, we have assigned no commercial value to the property under construction which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of such property was RMB532,340,000 as at the valuation date (equivalent to RMB400,639,084, 75.26% interests attributable to the Group).
- We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - COFCO Trading (Guangdong) has not obtained the land use rights of the property; and
 - COFCO Trading (Guangdong) has not obtained all relevant construction permits for the under construction portion.
- For the purpose of this report, the property is classified into the group as "Group III – held by the Group under development in the PRC" according to the purpose for which it is held.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2019
80.	A construction project located at north of Lanshan Gang Rizhao City, Shandong Province, PRC	<p>Upon completion, the property will comprise an industrial building with a total gross floor area of approximately 1,267.09 sq. m. The property is scheduled to be completed in 2020.</p> <p>As advised by the Group, the property was constructed without obtaining relevant construction permit and title documents.</p> <p>The use rights of the property have been granted for a term expiring on 26 January 2050.</p>	As at the valuation date, the property was under construction.	No commercial value (See Notes 5 and 6)

Notes:

- Pursuant to two State-owned Land Use Rights Certificates, the land use rights of parcel of land with a total site area of approximately 97,922.00 sq. m. have been granted to COFCO Yellowsea Oils & Grains Industries (Shandong) Co., Ltd (中糧黃海糧油工業(山東)有限公司) (“Yellowsea Oils & Grains Industries (Shandong)”), which is a 72.85% owned subsidiary of the Company. Details of the said certificates are as follows:

Certificate No.	Site Area (sq. m.)	Use	Land Use Term Expiry Date
1 Ri Lan Guo Yong (2001) Di 005 Hao	84,300.00	Industrial	26 January 2050
2 Ri Lan Guo Yong (2014) Di 000992 Hao	13,622.00	Industrial	26 January 2050

- Pursuant to the Construction Works Planning Permit – No. 1103201910016, the total approved construction scale of the property was approximately 1,267.09 sq. m.
- Pursuant to the Construction Works Commencement Permit – No. 371103201907100301, the construction works of the property with a construction scale of approximately 1,267.09 sq. m. were approved for commencement.
- As advised by the Group, the total construction cost of the property is estimated to be approximately RMB4,000,000, of which approximately RMB2,280,000 has been paid up to the date of valuation.
- In the course of our valuation, we have assigned no commercial value to the property with a total gross floor area of approximately 1,267.09 sq. m. which were constructed without obtaining relevant construction permits and title documents. For your reference purpose, the depreciated replacement cost of such property was RMB2,280,000 as at the valuation date (equivalent to RMB1,660,980, 72.85% interests attributable to the Group).
- The property was erected upon parcels of land which was contributed by property no. 8. Hence, the market value of the land portion was included in the property no. 8.

7. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
 - i. the title of the land use rights of the property is clear and complete. Yellowsea Oils & Grains Industries (Shandong) is entitled to transfer, let, mortgage or by other legal mean dispose of the land use rights of the property; and
 - ii. Yellowsea Oils & Grains Industries (Shandong) has not obtained all relevant construction permits for the under construction portion.
8. For the purpose of this report, the property is classified into the group as "Group III – held by the Group under development in the PRC" according to the purpose for which it is held.



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The Directors
China Agri-Industries Holdings Limited
31/F, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

14 February 2020

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to review on Desktop, the Tenancies of the Leased Properties leased by the Company or its subsidiaries (hereinafter referred to as the “Group”) in the People’s Republic of China (the “PRC”) and the Hong Kong Special Administrative Region of the PRC (“Hong Kong”), we confirm that we have made relevant inquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Leased Properties as at 30 November 2019 (the “valuation date”).

BASIS OF VALUATION

Our valuation of each of the Leased Properties is our opinion of its market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Moreover, market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been undertaken in accordance with HKIS Valuation Standards 2017 of The Hong Kong Institute of Surveyors (“HKIS”), which incorporates the International Valuation Standards (“IVS”), and (where applicable) the relevant HKIS or jurisdictional supplement. We have also complied with the requirements set out in Rule 11 of the Code on Takeovers and Mergers published by the Securities and Futures Commission in Hong Kong (the “Takeovers Code”).

IDENTIFICATION AND STATUS OF THE VALUER

The subject valuation exercise is handled by Mr. Anthony C.K. Lau, who is the Director of Savills Valuation and Professional Services Limited (“SVPSL”) and a Member of the HKIS with over 26 years’ experience in valuation of properties in Hong Kong and the PRC and has sufficient knowledge of the relevant markets, the skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation services in respect of the Leased Properties, SVPSL and Mr. Anthony C.K. Lau had not been involved in valuation of the Leased Properties in the last 12 months.

We are independent of China Agri-Industries Holdings Limited and its subsidiaries. We are not aware of any instances which would give rise to potential conflict of interest from SVPSL or Mr. Anthony C.K. Lau in the subject exercise. We confirm SVPSL and Mr. Anthony C.K. Lau are in the position to provide objective and unbiased valuation for the Leased Properties.

SUMMARY OF THE TENANCIES OF LEASED PROPERTIES

According to the Tenancies of the Leased Properties provided to us, the Leased Properties comprises 173 properties with a total floor area of approximately 68,397.81 sq. m. and land area of approximately 138,092.00 sq. m.

	No. of Leased Properties	Floor Area (sq. m.)	Land Area (sq. m.)
Office	99	31,827.16	–
Warehouse	25	24,180.21	–
Residential	46	12,390.44	–
Land	3	–	138,092.00

VALUATION METHODOLOGY

The Leased Properties leased by the Group in the PRC and Hong Kong respectively are considered to have no commercial value due to the prohibitions against assignment of the Leased Properties or otherwise due to lack of substantial profit rents.

TITLE INVESTIGATION

We have been provided by the Group with copies or extracts of documents relating to the Leased Properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information given by the Group and accepted advice on such matters as planning approvals, statutory notices, easements, tenure, identification of the Leased Properties, particulars of occupancy, tenancy details, land and floor areas and all other relevant matters. Dimensions, measurements and areas are based on copies of documents or other information provided to us by the Group and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We are also advised by the Group that no material facts have been omitted from the information supplied.

VALUATION ASSUMPTIONS

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Leased Properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

SITE INSPECTION

We have not inspected the Leased Properties. We have not been able to verify the land and floor areas of the Leased Properties and we have assumed that the areas shown on the copies of the documents provided to us are correct.

CURRENCY

Unless otherwise stated, all sums are stated in Renminbi (“RMB”).

We enclose herewith a summary of the Tenancies of the Leased Properties.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Anthony C.K. Lau
MRICS MHKIS RPS(GP)
Director

Note: Mr. Anthony C.K. Lau is a professional surveyor who has over 26 years’ experience in valuation of properties in Hong Kong and the PRC.

Encl.

SUMMARY OF THE TENANCIES OF THE LEASED PROPERTIES

Location of leased properties	No. of leased properties	Office <i>sq. m.</i>	Warehouse <i>sq. m.</i>	Residential <i>sq. m.</i>	Sub-total <i>sq. m.</i>	Land <i>sq. m.</i>
Hong Kong 香港	1	590.12	–	–	590.12	–
Beijing 北京	10	12,822.85	650.00	2,751.70	16,224.55	–
Shanghai 上海	5	1,345.01	370.00	60.00	1,775.01	–
Tianjin 天津	4	1,162.00	–	–	1,162.00	–
Chongqing 重慶	11	122.51	1,060.00	413.46	1,595.97	–
Hebei 河北	7	810.69	–	–	810.69	–
Shanxi 山西	1	140.00	–	–	140.00	–
Liaoning 遼寧	6	1,535.98	170.00	–	1,705.98	–
Liaoning 遼寧	3	–	–	–	–	138,092.00
Jilin 吉林	2	197.02	–	–	197.02	–
Heilongjiang 黑龍江	4	555.08	–	60.00	615.08	–
Jiangsu 江蘇	14	1,551.43	7,769.95	66.06	9,387.44	–
Zhejiang 浙江	7	1,158.12	–	–	1,158.12	–
Anhui 安徽	7	561.29	800.00	–	1,361.29	–
Fujian 福建	5	346.85	6,598.26	584.00	7,529.11	–
Jiangxi 江西	3	245.55	600.00	–	845.55	–
Shandong 山東	6	1,217.01	–	–	1,217.01	–
Henan 河南	6	661.66	–	–	661.66	–
Hubei 湖北	8	1,439.97	1,462.00	–	2,901.97	–
Hunan 湖南	7	714.44	2,100.00	–	2,814.44	–
Guangdong 廣東	36	1,587.27	–	7,963.53	9,550.80	–
Hainan 海南	2	31.00	–	60.00	91.00	–
Sichuan 四川	4	814.18	700.00	49.78	1,563.96	–
Guizhou 貴州	1	–	–	120.67	120.67	–
Yunnan 雲南	2	103.99	–	120.35	224.34	–
Shanxi 陝西	2	1,101.72	–	–	1,101.72	–
Gansu 甘肅	1	105.46	–	–	105.46	–
Inner Mongolia 內蒙古	2	127.72	–	–	127.72	–
Guangxi 廣西	2	187.46	–	–	187.46	–
Tibet 西藏	1	–	–	140.89	140.89	–
Xinjiang 新疆	3	590.79	1,900.00	–	2,490.79	–
Sub-total	173	31,827.16	24,180.21	12,390.44	68,397.81	138,092.00

The following is a form of the Option Offer Letter being sent to each Optionholder in connection with the Option Offer.

14 February 2020

To the Optionholders

Dear Sir or Madam,

**OPTION OFFER IN RELATION TO
PROPOSAL FOR THE PRIVATISATION OF
CHINA AGRI-INDUSTRIES HOLDINGS LIMITED
BY COFCO (HONG KONG) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 673 OF THE COMPANIES ORDINANCE)**

A scheme document dated the same date as this letter issued jointly by the Offeror and the Company (the “**Scheme Document**”) and a form of acceptance (the “**Form of Acceptance**”) are provided to you together with this letter. Terms used but not defined in this letter shall have the same meanings as defined in the Scheme Document. This letter should be read in conjunction with the Scheme Document.

On 27 November 2019, the Offeror and the Company jointly announced that on the same date, the Offeror had requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme. As stated in the Announcement, the Offeror will make (or procure to be made on its behalf) an appropriate offer to all the holders of the outstanding Share Options in accordance with Rule 13 of the Takeovers Code (the “**Option Offer**”), conditional upon the Scheme becoming effective.

This letter explains the terms of the Option Offer and the actions you may take in relation to any outstanding Share Options held by you. You are advised to refer to the Scheme Document when considering them.

Your attention is also drawn to the terms and conditions of the documentation under which each of your Share Options was granted (including the terms of the Share Option Scheme).

TERMS OF THE OPTION OFFER

On behalf of the Offeror, we offer to pay you the Share Option Offer Price, which represents the “see-through” price (being the Cancellation Price minus the exercise price of the Share Options), for each Share Option that you hold as at the Share Option Record Date.

Pursuant to the terms of the Share Option Scheme:

- (a) if the Scheme has been approved by the necessary number of Shareholders at the Court Meeting and the General Meeting, holder(s) of Share Options may thereafter (but before such time as notified by the Company below (the “**Specified Date**”)) exercise the Share Options (to the extent not already exercised) to its full extent or to the extent specified in such notice; and
- (b) subject to the Scheme becoming effective, the Share Options shall lapse automatically and not be exercisable (to the extent not already exercised) on the Specified Date referred to in paragraph (a) above.

Reference is made to the letter from the Company to you on or around the date of this letter informing you that, subject to the Scheme having been approved by the Shareholders and the Independent Shareholders at the General Meeting and the Court Meeting, respectively, the Specified Date will be Tuesday, 10 March 2020. Subject to the Scheme becoming effective, any outstanding Share Options, to the extent not exercised, will lapse automatically on the Specified Date and will no longer be exercisable as from such time pursuant to the terms of the Share Option Scheme.

In consideration for our agreement to pay you the cash consideration set out above (as applicable to your holdings of Share Options), all rights and obligations under your Share Options will be immediately cancelled by the Offeror and the Company upon your acceptance.

Conditions of the Option Offer

The Option Offer is conditional upon the Scheme becoming effective. The Option Offer will become unconditional immediately upon the Scheme becoming effective and prior to the listing of the Shares being withdrawn from the Stock Exchange.

The Conditions of the Proposal and the Scheme are set out in the section headed “4. Conditions of the Proposal and the Scheme” in “Part VII – Explanatory Statement” of the Scheme Document. You are further advised to refer to the sections headed “16. Registration and Payment” and “17. Overseas Shareholders and Optionholders” in “Part VII – Explanatory Statement” of the Scheme Document.

Payments under the Option Offer

Cheques for payment of the Share Option Offer Price payable under the Option Offer are expected to be despatched as soon as possible but in any event within 7 Business Days following the Effective Date. Your cash entitlements under the Option Offer will, notwithstanding the lapse of the Share Options on the Specified Date upon the Scheme becoming effective, continue to be subject to the conditions to entitlement under the existing terms of your Share Options up until the Share Option Record Date, including the requirement to remain in employment or service of the Group and other terms of the Share Option Scheme.

Subject to your election in the Form of Acceptance, cheques for payment will be either (i) drawn in your name and posted to you at your registered address or (ii) drawn in the name of the Company as your agent and delivered to the Company's registered address. Please refer to the sub-section "Electing the Company as your agent" below in respect of the mechanism and consequence for electing the Company to receive the cheque as your agent. If you fail to make an election, the cheques for payment will be drawn in your name. As payment of cheques will be made in Hong Kong dollars, you may face delays or obstacles in changing Hong Kong dollars to other currency or cashing such cheques in certain locations or situations.

Electing the Company as your agent

It is noted that if you are an Optionholder located in the PRC, you may potentially face obstacles in cashing cheques for the Share Option Offer Price in the PRC. To facilitate this, at your election in the Form of Acceptance, you may appoint the Company and the Company has agreed to act as your agent to (i) receive the cheque representing your entitlement under the Option Offer in the Company's name, (ii) exchange the amount of Share Option Offer Price from HK\$ into RMB at the applicable HK\$ to RMB exchange rate as determined by the relevant bank at the time of the exchange and (iii) transfer such amount (net of such relevant amount which will be withheld for tax payment on your behalf (the "**Withholding Amounts**")) into your PRC bank account as customarily used by you to receive compensation from the Company or such account as agreed between you and the Company.

Please note that if you elect for the Company to act as your agent, the cheque for the Share Option Offer Price payable to you will be drawn in the Company's name (as your agent) and delivered to the Company within 7 Business Days following the Effective Date. The Company may also face unexpected delays or obstacles in exchanging the amounts received from HK\$ into RMB or transferring such amounts (net of the Withholding Amounts) into your PRC bank account as customarily used by you to receive compensation from the Company or such account as agreed between you and the Company. None of the Offeror, the Company, CICC and their agents or any of their respective directors, officers or associates or any other person involved in the Scheme or the Option Offer accepts responsibility for any delay, obstacles or losses in the process of exchanging the amounts received into RMB, handling the Withholding Amounts and/or transferring such amounts (net of the Withholding Amounts) into your PRC bank account or such other account as agreed between you and the Company.

It is emphasised that none of the Offeror, the Company, CICC and their agents or any of their respective directors, officers or associates or any other person involved in the Scheme or the Option Offer accepts responsibility or has any liability for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Scheme or the Option Offer. All Scheme Shareholders, Beneficial Owners and/or Optionholders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Proposal and they shall be solely responsible for their liabilities (including tax liabilities) in relation to the Scheme and/or the Option Offer.

COURSES OF ACTION AVAILABLE TO OPTIONHOLDERS

The Option Offer shall be available to you in respect of all Share Options that you hold as at the Share Option Record Date (expected to be Monday, 9 March 2020) and for which you (or your nominee) have not been registered as the holder of the underlying Shares as at the Scheme Record Date (expected to be Tuesday, 17 March 2020). The choices available to you in respect of your Share Options are set out below.

(A) Accept the Option Offer

You may choose to accept the Option Offer on the terms (including all declarations and undertakings) as set out in this letter and the enclosed Form of Acceptance, by ticking the “Accept” box on the Form of Acceptance and signing, completing and returning it in accordance with the instructions set out below by not later than 4:30 p.m. on Monday, 9 March 2020 (or such later time and/or date as may be notified to you through announcement(s)). Such acceptance of the Option Offer will be in respect of all Share Options held by you as at the Share Option Record Date, and you will receive the Share Option Offer Price for all the relevant Share Options if the Scheme becomes effective.

If you wish to elect the Company to be your agent in respect of your entitlement under the Option Offer, you are also reminded to make such election in the Form of Acceptance. By electing the Company to be your agent, the cheque representing the Share Option Offer Price payable to you will be drawn in the name of the Company as your agent and delivered to the Company’s registered address. If you fail to make such election in the Form of Acceptance, the cheque for payment will be drawn in your name and posted to you at your registered address.

(B) Reject the Option Offer

If you choose to reject the Option Offer, please tick the “Reject” box on the enclosed Form of Acceptance and sign, complete and return it in accordance with the instructions set out below. Such rejection of the Option Offer will be in respect of all Share Options held by you as at the Share Option Record Date.

Pursuant to the terms of the Share Option Scheme, subject to the Scheme becoming effective, any outstanding Share Options, to the extent not exercised, will lapse automatically on the Specified Date and will no longer be exercisable as from such time.

If you reject the Option Offer, you will not be entitled to receive the cash consideration offered in respect of any of your Share Options.

Following receipt of this letter, if you (i) reject the Option Offer; (ii) choose to do nothing (including not returning a Form of Acceptance), (iii) fail to tick either an “Accept” or “Reject” box or fail to sign on a returned Form of Acceptance, or (iv) fail to return a completed and signed Form of Acceptance by no later than 4:30 p.m. on Monday, 9 March 2020 or such other date and time as may be notified to you by the Offeror or CICC or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange, and the Scheme becomes effective, you will be treated as not having accepted the Option Offer in respect of all Share Options held by you as at the Share Option Record Date, your outstanding Share Options will lapse automatically on the Specified Date and you will receive neither the Share Option Offer Price nor the Cancellation Price.

HOW TO RETURN THE FORM OF ACCEPTANCE

You should return the duly completed and executed Form of Acceptance to the Offeror, care of China Agri-Industries Holdings Limited at 7th Floor, COFCO Fortune Plaza, No. 8 Chaoyangmen South Street, Chaoyang District, Beijing 100020, China, for the attention of the Human Resources Department of the Company and marked “China Agri-Industries Holdings Limited – Option Offer” by no later than 4:30 p.m. on Monday, 9 March 2020 (or such other date and time as may be notified to you by the Offeror or CICC or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange).

Before returning the Form of Acceptance, please ensure that you have completed and signed the Form of Acceptance and that your signature has been witnessed.

No acknowledgment of receipt of the Form of Acceptance or any other documents will be given.

LAPSED SHARE OPTIONS

Please note that nothing in this letter or the Scheme Document serves to extend the life of a Share Option which lapses, will lapse, or has already lapsed, under the terms of its grant or the Share Option Scheme. You cannot accept the Option Offer in respect of a Share Option which has lapsed or will have lapsed by the Share Option Record Date.

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders and the Optionholders set out in Part V of the Scheme Document and the letter from the Independent Financial Adviser, set out in Part VI of the Scheme Document which contain the recommendation of the Independent Board Committee and of the Independent Financial Adviser, respectively, in relation to the Proposal, the Scheme and the Option Offer.

INDEPENDENT FINANCIAL ADVICE

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take.

If you are in any doubt as to any aspect of this letter, the Scheme Document, the Form of Acceptance or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

DECLARATION

By returning the Form of Acceptance, you:

- (a) confirm that you have read, understood and agreed to the terms and conditions of the Option Offer (including, without limitation, those set out in this letter and the Form of Acceptance), and that you have received the Scheme Document and this letter;
- (b) warrant and confirm that each Share Option in respect of which you accept the Option Offer is valid and subsisting, free from all liens, charges, mortgages and third party interests of any nature whatsoever and you acknowledge that any option certificate or documents in respect of such Share Option shall become void once that Share Option has been cancelled as a result of your acceptance of the Option Offer pursuant to the Form of Acceptance;
- (c) acknowledge that you cease to have any rights or obligations, and waive all rights and claims against any party (including the Offeror and the Company), in respect of such Share Option you hold in respect of which you accept the Option Offer and agree that all rights and obligations under such Share Options will be cancelled;
- (d) confirm that any acceptance of the Option Offer cannot be withdrawn or altered;
- (e) authorise the Company, the Offeror and/or CICC, jointly and severally, or any director or officer of the Company or the Offeror or CICC or any agent of such person to do all acts and things and to execute any document as may be necessary or desirable to give effect to or in consequence of your acceptance of the Option Offer, and you hereby undertake to execute any further assurance that may be required in respect of such acceptance; and
- (f) undertake to confirm and ratify any action properly or lawfully taken on your behalf by any attorney or agent appointed by or pursuant to this letter or the Form of Acceptance.

GENERAL

All communications, notices, Form(s) of Acceptance, cheques, certificates and other documents of any nature to be delivered by or sent to or from Optionholders will be delivered by or sent to or from them, or their designated agents, at their risk, and none of CICC, the Offeror or the Company accepts any liability for any loss or any other liabilities whatsoever which may arise as a result. This letter shall be taken as having been received by you within two Business Days of its despatch.

The provisions set out in the Form of Acceptance form part of the terms of the Option Offer.

The Option Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

Due execution of the Form of Acceptance in respect of the Option Offer will constitute an authority to CICC, the Offeror, any director of the Offeror, the board of directors of the Offeror or their respective agents to complete and execute any document on behalf of the Optionholders and to do any other act, that may be necessary or expedient for the purpose of cancelling, or transferring to the Offeror or such person(s) as the Offeror shall direct, all rights of the Optionholders in respect of the Share Options which are the subject of such acceptance.

The delivery of the Form of Acceptance, duly signed, may, if the Offeror determine it appropriate, be as effective as if it were duly completed and received notwithstanding that it is not completed or received strictly in accordance with the instructions set out in the Form of Acceptance and this letter, including the date specified for receipt.

By accepting the Option Offer in respect of a particular Share Option, you irrevocably and at your own risk elect to authorise the Offeror, the Company, CICC and/or such person(s) as the Offeror shall direct to send to you or the Company as your agent (depending on your election), or procure the sending to you or the Company as your agent (depending on your election) of, the payment to which you are entitled.

Any acceptance of the Option Offer and the receipt of cash consideration may trigger taxes subject to withholding obligations of the Offeror and/or the Company. Cash consideration under the Option Offer may be paid to you net of such applicable taxes, if any. All Optionholders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Option Offer.

RESPONSIBILITY STATEMENTS

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this letter relating to the Group and the Directors and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this letter by the Company or the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement contained in this letter misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than that relating to the Group and the Directors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than those expressed by the Company or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statements in this letter misleading.

Yours truly,
For and on behalf of
China International Capital Corporation Hong Kong
Securities Limited
PAK Hiu Ching
Managing Director