
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in COFCO Joycome Foods Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



中糧家佳康食品有限公司
COFCO Joycome Foods Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01610)

**(1) CONNECTED TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) NOTICE OF THE EGM**

Financial Adviser to the Company



**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 6 to 22 of this circular. A letter from the Independent Board Committee is set out on pages 23 to 24 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 25 to 49 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 10 March 2023 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you are able to attend and/or vote at the extraordinary general meeting in person, you are requested to complete the enclosed proxy form and return it to the Company's Hong Kong branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the extraordinary general meeting or any adjournment thereof in person should you so wish.

17 February 2023

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Letter from the Independent Board Committee	23
Letter from the Independent Financial Adviser	25
Appendix I – Financial Information of the Group	50
Appendix II – Valuation report of the properties of the Group	55
Appendix III – Profit Warning Announcement	132
Appendix IV – Profit Update Announcement	134
Appendix V – Report from CITIC Securities (Hong Kong) Limited in respect of the Profit Warning Announcement and Profit Update Announcement	137
Appendix VI – Report from Baker Tilly Hong Kong Limited in respect of the Profit Warning Announcement and Profit Update Announcement	139
Appendix VII – General Information	142
Notice of the Extraordinary General Meeting	EGM-1

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 11 January 2023 in relation to, among others, the Share Subscription and the Whitewash Waiver
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday in Hong Kong or the PRC and a day on which typhoon signal no. 8 or a black rainstorm warning is hoisted at any time in Hong Kong) on which licensed banks in Hong Kong and PRC are generally open for business throughout their normal business hours and the Stock Exchange is open for the transaction of business
“Company”	COFCO Joycome Foods Limited (中糧家佳康食品有限公司) (formerly known as COFCO Meat Holdings Limited (中糧肉食控股有限公司) and Charm Thrive Investments Limited (燦旺投資有限公司)), a company incorporated in the British Virgin Islands with limited liability on 11 March 2014 and re-domiciled to the Cayman Islands as an exempted company with limited liability on 4 May 2016, whose shares are listed on the Main Board of the Stock Exchange with stock code 1610
“Completion”	the completion of the Share Subscription pursuant to the terms and conditions of the Share Subscription Agreement
“Completion Date”	the date on which Completion takes place pursuant to the terms and conditions of the Share Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 10 March 2023 at 10:30 a.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, approving, among other things, the Share Subscription Agreement (including the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, 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 all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver (namely Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong), which is formed in accordance with the Listing Rules and the Takeovers Code to advise the Independent Shareholders on the Share Subscription and the Whitewash Waiver
“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholder(s)”	Shareholder(s) other than (i) the Subscriber, its associates, and any parties acting concert with it; and (ii) all other Shareholders who are interested or involved in the Share Subscription and/or the Whitewash Waiver (if any)
“Latest Practicable Date”	14 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Profit Update Announcement”	the announcement of the Company dated 6 February 2023 pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO
“Profit Warning Announcement”	the announcement of the Company dated 6 January 2023 pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO
“Relevant Period”	the period commencing on the date falling six months immediately preceding the Announcement (i.e. 11 July 2022) and ending on the Latest Practicable Date
“Reassessed NAV”	has the meaning ascribed thereto under the paragraph headed “3. Calculation of the Reassessed NAV per Share” in Appendix I of this circular
“Reassessed NAV per Share”	has the meaning ascribed thereto under the paragraph headed “The Subscription Price” in the letter from the Board of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“September Operation Briefings Announcement”	the voluntary announcement of the Company dated 10 October 2022 containing unaudited net loss before biological assets fair value adjustments of the Group for the period from July to September 2022
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of USD0.000001 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Share Incentive Scheme”	the share incentive scheme of the Company adopted on 27 March 2015 and amended on 27 March 2017 by the Company and the then Shareholders of the Company
“Share Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Share Subscription Agreement
“Share Subscription Agreement”	the conditional subscription agreement dated 11 January 2023 entered into between the Company and the Subscriber in relation to the Share Subscription
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to grant the authority to the Board for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	COFCO (Hong Kong) Limited (中糧集團(香港)有限公司), a company incorporated in Hong Kong with limited liability, a connected person of the Company as at the Latest Practicable Date and wholly owned by COFCO Corporation
“Subscription Price”	HK\$2.30 per Subscription Share
“Subscription Shares”	680,000,000 new Shares to be issued by the Company to the Subscriber pursuant to the Share Subscription
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers (as amended, modified and supplemented from time to time)
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD”	United State dollars, the lawful currency for the time being of the United States

DEFINITIONS

“Whitewash Waiver”

the whitewash waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Subscriber or parties acting in concert with it to make a mandatory general offer for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) which might otherwise arise as a result of the Subscriber subscribing for the Subscription Shares under the Share Subscription Agreement

“%”

per cent.

LETTER FROM THE BOARD



中糧家佳康食品有限公司 COFCO Joycome Foods Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01610)

Board of Directors

Executive Director

Mr. Jiang Guojin

Non-executive Directors

Mr. Ma Dewei

Dr. Zhao Wei

Independent Non-executive Directors

Mr. Fu Tingmei

Mr. Li Michael Hankin

Dr. Ju Jiandong

Registered Office

Tricor Services (Cayman Islands) Limited

Second Floor, Century Yard

Cricket Square, P.O. Box 902

Grand Cayman, KY1-1103

Cayman Islands

Principal Place of Business in Hong Kong

33/F, COFCO Tower

262 Gloucester Road

Causeway Bay

Hong Kong

17 February 2023

To the Independent Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;**

(2) APPLICATION FOR WHITEWASH WAIVER;

AND

(3) NOTICE OF THE EGM

I. INTRODUCTION

Reference is made to the Announcement. On 11 January 2023 (after trading hours), the Company and the Subscriber entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 680,000,000 Subscription Shares at the Subscription Price of HK\$2.30 per Subscription Share for a total consideration of HK\$1,564,000,000 in cash.

LETTER FROM THE BOARD

This circular sets out, among other things, (i) details of the Share Subscription Agreement (including the Specific Mandate); (ii) the Whitewash Waiver; (iii) recommendation of the Independent Board Committee to the Independent Shareholders; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver; (v) the valuation report of the properties of the Group; and (vi) a notice of the EGM.

II. THE SHARE SUBSCRIPTION

The principal terms of the Share Subscription Agreement are set out below:

Date	11 January 2023
Parties	(a) the Company (as issuer) (b) the Subscriber (as subscriber) As at the Latest Practicable Date, the Subscriber is a connected person of the Company.
Total Subscription consideration	HK\$1,564,000,000
Subscription price per Subscription Share	HK\$2.30
Par value of Subscription Shares	USD680, with a par value of USD0.000001 each

The Subscription Shares

680,000,000 Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription, which represent:

- (a) approximately 17.43% of the existing issued share capital of the Company as at the date of the Announcement; and
- (b) approximately 14.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after Completion.

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

Ranking

The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue (including the rights as to dividends, voting and return of capital). Holders of the Subscription Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with reference to a record date falling on or after the date of allotment and issue of the Subscription Shares.

The Subscription Price

The Subscription Price of HK\$2.30 per Subscription Share represents:

- (a) a discount of approximately 1.71% to the closing price of HK\$2.34 per Share as quoted on the Stock Exchange on the date of the Share Subscription Agreement;
- (b) a discount of approximately 2.13% to the average closing price of HK\$2.35 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Share Subscription Agreement;
- (c) a premium of approximately 4.55% to the average closing price of HK\$2.20 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to the date of the Share Subscription Agreement;
- (d) a premium of approximately 10.05% to the average closing price of HK\$2.09 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to the date of the Share Subscription Agreement;
- (e) a discount of approximately 13.21% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2021 of approximately HK\$2.65 per Share calculated based on the audited consolidated net asset of the Group attributable to the Shareholders of approximately RMB8,460 million as at 31 December 2021 as extracted from the annual report of the Company for the year ended 31 December 2021 and 3,901,998,323 Shares then in issue (based on the exchange rate of HK\$1:RMB0.8176 as at 31 December 2021 published by the State Administration of Foreign Exchange of the PRC for illustration purposes);
- (f) a premium of approximately 2.68% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2022 of approximately HK\$2.24 per Share calculated based on the unaudited consolidated net asset of the Group attributable to the Shareholders of approximately RMB7,486 million as at 30 June 2022 as extracted from the interim report of the Company for the six months ended 30 June 2022 and 3,901,998,323 Shares then in issue (based on the exchange rate of HK\$1:RMB0.85519 as at 30 June 2022 published by the State Administration of Foreign Exchange of the PRC for illustration purposes); and

LETTER FROM THE BOARD

- (g) a premium of approximately 1.77% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2022 as adjusted by the property valuation report set out in Appendix II of approximately HK\$2.26 per Share (the “**Reassessed NAV per Share**”) calculated based on the unaudited consolidated net asset value of the Group attributable to the Shareholders as at 30 June 2022 as adjusted by the property valuation report set out in Appendix II. Please refer to Appendix I of this circular for the calculation of the Reassessed NAV per Share.

The Subscription Price was determined after arm’s length negotiations between the Company and the Subscriber with reference to (i) the recent and historical market prices of the Shares; (ii) the trading liquidity of the Shares; (iii) market comparable analysis; and (iv) the amount of funds that the Company intends to raise under the Share Subscription. In addition, the Directors noted that (i) the Subscription Price represented a premium to the average closing price of the Shares for the last thirty and sixty consecutive trading days immediately prior to the date of the Share Subscription Agreement, and represented only a slight discount to the closing price of the Shares on the date of the Share Subscription Agreement and average closing price of the Shares for the last five consecutive trading days immediately prior to the date of the Share Subscription Agreement; and (ii) although the Subscription Price represents a discount to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2021, the Subscription Price represents a premium to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2022 and the Reassessed NAV per Share. Taking into the potential benefits of the Share Subscription to the Group as set out in the paragraphs headed “Reasons for and Benefits of the Share Subscription and Use of Proceeds” below, the Directors consider that the Subscription Price is fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole.

Conditions precedent

Completion is conditional upon satisfaction or (if applicable) waiver of the following conditions:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares and such approval and permission remaining in full force and effect;
- (b) the approval by (i) more than 50% of the votes cast by the Independent Shareholders at the EGM in respect of the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandate and (ii) at least 75% of the votes cast by the Independent Shareholders at the EGM in respect of the Whitewash Waiver;

LETTER FROM THE BOARD

- (c) the granting of the Whitewash Waiver by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligation on the part of the Subscriber and the parties acting in concert with it to make a mandatory general offer for all the Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and its concert parties) as a result of the allotment and issue of the Subscription Shares pursuant to the Share Subscription, and the Whitewash Waiver remaining in full force and effect;
- (d) the Subscriber having obtained all necessary approval, consents or filings from applicable regulatory authorities in respect of the Share Subscription, including the approval from competent state-owned assets supervision and administration authority in the PRC, and such approval, consents or filings remaining in full force and effect;
- (e) there having been no breach of any terms of the Share Subscription Agreement by the Company in any material respects;
- (f) the representations and warranties given by the Company under the Share Subscription Agreement, including but not limited to representations and warranties in respect of the due incorporation of the Company, the capacity and authority of the Company for the entering into and the performance of the Share Subscription Agreement, that the entering into of the Share Subscription Agreement would not result in any breach of the memorandum and articles of association of the Company, any other relevant law, order, judgment or decree of any relevant authority or any agreement which is binding on the Company, that the public disclosure made by the Company during the 12 months period prior to the date of the Share Subscription Agreement being true, accurate in all material respects and not misleading, the status of the Subscription Shares, and the business and the operational status of the Company, remaining true, complete and accurate in all material respects and not misleading as at the Completion Date;
- (g) the representations and warranties given by the Subscriber under the Share Subscription Agreement, including but not limited to representations and warranties in respect of the due incorporation of the Subscriber, the capacity and authority of the Subscriber for the entering into of the Share Subscription Agreement, that the entering into and the performance of the Share Subscription Agreement would not result in any breach of the articles of association of the Subscriber, any other relevant law, order, judgment or decree of any relevant authority or any agreement which is binding on the Subscriber, remaining true, complete and accurate in all material respects and not misleading as at the Completion Date;
- (h) there having been no event which may lead to material adverse change to the business, assets, financial conditions and profits of any member of the Group since the date of the Share Subscription Agreement;

LETTER FROM THE BOARD

- (i) no regulatory authority having implemented or enacted any legislation, regulations or decrees to prohibit the Share Subscription, and no courts with competent jurisdiction having issued any order or injunction prohibiting or preventing the Share Subscription; and
- (j) 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 date of the Announcement and the Completion Date without prior written consent of the Subscriber.

As at the Latest Practicable Date, the Company did not intend to declare, pay and/or make any dividend or other distribution between the Latest Practicable Date up to the Completion Date.

The Subscriber shall be entitled to waive any of the conditions as set out in paragraphs (e), (f), (h) and (j) above. The Company shall be entitled to waive the condition as set out in paragraph (g) above. The conditions as set out in paragraphs (a) to (d) and (i) are non-waivable. As at the Latest Practicable Date, none of the conditions as set out above has been satisfied or (if applicable) waived.

In the event Completion does not take place on or before the date which is six months after the date of the Share Subscription Agreement (or such other time and date as may be agreed by the Company and the Subscriber in writing), the Company and the Subscriber shall discuss with a view to agree on a subsequent date for Completion. If the Company and the Subscriber is unable to agree on a subsequent date for Completion, either the Company or the Subscriber shall be entitled to terminate the Share Subscription Agreement by written notice to the other party, upon which all rights and obligations of the parties to the Share Subscription Agreement shall terminate, save for any rights and obligations accrued prior to such termination.

Taking into account the current information available to the Company and the Subscriber as at the Latest Practicable Date, the Company and the Subscriber intend that the Completion will take place by no later than 31 December 2023.

Completion of the Share Subscription

Completion shall take place within 10 Business Days (or such other date and time as may be agreed by the Company and the Subscriber) upon the satisfaction or (if applicable) waiver of the conditions under the Share Subscription Agreement, upon which the Company shall allot and issue the Subscription Shares to the Subscriber and the Subscriber shall pay to the Company the total consideration for the Subscription Shares.

LETTER FROM THE BOARD

Termination of the Share Subscription Agreement

The Share Subscription Agreement may be terminated:

- (a) by any party upon the material breach of the Share Subscription Agreement by the other party;
- (b) by the Subscriber, if:
 - (i) the trading in the Shares on the Stock Exchange is suspended by any competent regulatory authorities for 10 trading days or more (except for any trading halt or suspension pending the approval of the Announcement or the circular of the Company in respect of the Share Subscription Agreement and the Whitewash Waiver) or for any period which extends to the Completion Date, or the listing status of the Company on the Stock Exchange is revoked;
 - (ii) there exists any material adverse effect on the financial position or operational results of the Group as a result of sanctions imposed by any applicable regulatory authorities on the Company or any senior management members of the Group (other than any senior management members of the Group which were sanctioned prior to the date of the Share Subscription Agreement), as a result of any material fraudulent or inappropriate behaviour conducted by any member of the Group being discovered or alleged and proven by any applicable regulatory authorities; or
 - (iii) there exists any material adverse effect on the financial position or operational results of the Group as a result of any change in applicable laws since the date of the Share Subscription Agreement; and
- (c) in the manner as described in the paragraph “Conditions Precedent” in the Announcement and this circular, or upon agreement in writing between the parties.

Information of the Subscriber

The Subscriber is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding. As at the Latest Practicable Date, Mainfield International Limited, a substantial shareholder of the Company, is wholly-owned by the Subscriber, and the Subscriber is therefore a connected person of the Company. As at the Latest Practicable Date, the Subscriber directly and indirectly holds an aggregate of 1,166,681,782 Shares, representing approximately 29.90% of the issued share capital of the Company. As at the Latest Practicable Date, the Subscriber is wholly-owned by COFCO Corporation.

COFCO Corporation is a state-owned company in the PRC which is principally engaged in agricultural commodities trading, agricultural products processing, food and beverages, hotel management, real estate, logistics and financial services.

LETTER FROM THE BOARD

Information of the Company

The Company is principally engaged in feed production, hog production, slaughtering and cutting, production, distribution and sale of fresh pork and processed meat products and the import and sale of frozen meat products in the PRC.

III. REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION AND USE OF PROCEEDS

Reasons for and benefits of the Share Subscription

(i) Expanding the Company's production and distribution scale, improving its industry competitiveness and meeting the Company's long-term development fund needs

The "Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035" (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) published by the PRC Government in 2021 has specifically emphasized the importance of assuring the food supply safety of agricultural products from the perspective of the PRC Government. The Ministry of Agriculture and Rural Affairs of the PRC has thereafter also issued the "14th Five-Year Plan on National Animal Husbandry and Veterinary Industry Development" (《“十四五”全國畜牧獸醫行業發展規劃》), listing the promotion of concentration and expansion of animal farming as one of the nine key tasks of the 14th Five-Year Plan for animal husbandry.

The Company is one of the leading meat enterprises in the PRC whose business and operation cover the entire industry chain with feed production, hog breeding, farming, slaughtering and processing capability and will expect to have more role to play in the relevant industry under the foregoing PRC policies.

The Company intends to further expand the scale of hog industry chain, including the scale of hog stock, and to strengthen the distribution of downstream branded fresh meat. The Share Subscription will provide necessary funding to the Company for constructing more hog farms (including environmental protection facilities), introducing and breeding high quality purebred hogs, and promoting the branded fresh pork products. These will be beneficial to the Company on improving its operation scale and industry ranking, realizing its growth potential and long-term competitiveness.

(ii) Improving the Company's capital structure and reducing its financial risk

The repayment of the short-term loan can effectively reduce the impact of the rising financing costs and improve the capital structure of the Company. The replenishment of the working capital can provide more resources to conduct further business expansion and enhance the Company's overall financial position and liquidity.

As of 30 June 2022, the assets-liabilities ratio (i.e. total liabilities/total assets) of the Company has reached 61.2% compared to 52.3% as of 31 December 2021. Upon Completion, the assets-liabilities ratio of the Company is expected to be reduced to approximately 57.3%, which can optimize the capital structure, lower the assets-liabilities ratio and reduce the financial risk of the Company. The issuance of new Shares can effectively broaden the capital reserve channels to deal with possible industry fluctuations.

LETTER FROM THE BOARD

(iii) Further support from the Subscriber is favorable to the Company's long-term development

Upon Completion, the shareholding percentage of the Subscriber and parties acting in concert with it in the Company is expected to increase from 29.90% to approximately 40.30%, and the interest of the Subscriber will be further aligned with the performance of the Company. The Share Subscription will allow the Subscriber more flexibility and higher efficiency in supporting the long-term business development of the Company, which in turn facilitates the Company to realize its own long-term development strategy. The increase in the Subscriber's shareholding in the Company also indicates confidence in the continued long-term growth of the Company from the Subscriber. Please refer to the paragraph headed "5. Financial and Trading Prospects of the Group" in Appendix I of this circular for further details of the Group's long-term development strategy.

The Company has also examined various options to finance the above expansion plan, including but not limited to debt financing and various means of equity issuance. Among the possible alternatives available to the Company, the Company considers that the Share Subscription is an appropriate and cost-effective fundraising method to the Company. Comparing to debt financing, the Share Subscription is lower in finance cost and able to optimize the capital structure of the Company. Comparing to other equity issuance methods, such as rights issue, open offer and placing new shares to an independent third party, the Share Subscription is lower in issuance cost and is less time-consuming.

Use of Proceeds

The maximum gross proceeds from the Share Subscription will be approximately HK\$1,564 million. The maximum net proceeds (after deducting placing commission and other relevant costs and expenses) from the Share Subscription will be approximately HK\$1,551 million and the net subscription price of each Subscription Share will be approximately HK\$2.28.

The following table sets forth a breakdown of the intended use of net proceeds from the Share Subscription and the expected timetable of utilization for each use:

Intended use of net proceeds	Expected timetable
(i) approximately 70% of the net proceeds (being approximately HK\$1,086 million) for expanding production capabilities and enhancing the branded fresh meat distribution	by 24 months from the completion of the Share Subscription
(ii) approximately 30% of the net proceeds (being approximately HK\$465 million) for repaying the short term loan and replenishing the general working capital	by 12 months from the completion of the Share Subscription

LETTER FROM THE BOARD

As disclosed in the annual report of the Company for the financial year ended 31 December 2021, the Company is devoted to accelerate the alignment between upstream and downstream capacity of the Group. Accordingly, the Group has been constructing and putting into operation new production facilities throughout the years, such as the fresh pork plant in Changling, Jilin Province with a capacity of 1 million heads which was constructed in 2021.

In line with this development strategy of the Group, as discussed in the paragraphs headed “Reasons for and Benefits of the Share Subscription and Use of Proceeds” above, the Company intends to apply approximately HK\$1,086 million or 70% of the net proceeds from the Share Subscription for expanding production capabilities and enhancing the branded fresh meat distribution. Such expansion plans include but not limited to construction of hog breeding and farming facilities (such as sows and hogs houses, heating systems, water and electricity supply, and environmental protection facilities) in the Inner Mongolia, Hubei, Jilin and other provinces of the PRC, the construction of which are expected to commence in the 2nd to 3rd quarter of 2023. The expanded hog farming facilities will be used to enhance the hog production capacity of the Group (through increasing the production volume of hogs, including piglets, nursery hogs, medium and finishing hogs and replacement studs and gilts each year), while the expanded hog breeding facilities will be used to expand the inventory of nucleus herd breeding volume each year, which will in turn enhance the hog production efficiency and allow the Group to provide high quality hogs to its downstream branded pork business. Meanwhile, the Company will increase the breadth and depth of sales outlets and invest more in branding activities to enhance brand awareness and further promote its branded fresh meat business.

In addition, as disclosed in the interim report of the Company for the six months ended 30 June 2022, as at 30 June 2022, the Group has interest-bearing bank loans of approximately RMB7,117 million, among which bank loans amounting to RMB7,059 million have a maturity date of within 1 year from 30 June 2022, while bank loans amounting to RMB11 million have a maturity date of within 1 to 2 years from 30 June 2022. Accordingly, the Company intends to utilize approximately HK\$465 million or 30% of the net proceeds to (i) repay the short term loans of the Group within 12 months from Completion (which comprise outstanding loans with maturity dates of within 12 months from Completion) and (ii) replenish the general working capital, which includes costs for the purchase of feed raw materials, frozen meat products and expenditure on the fresh pork business. The Company does not intend to apply more than 10% of the net proceeds (being approximately HK\$155 million) for such general working capital purposes.

The Directors (including the members of the Independent Board Committee, whose views are set out in the letter from the Independent Board Committee) consider that the terms and conditions of the Share Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

IV. FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

Upon Completion, the Subscriber will become a controlling shareholder (within the meaning of the Listing Rules) of the Company. The Subscriber considers and confirms that:

- (a) it is intended that the Group will continue its existing business following Completion;
- (b) it shares the view of the Company that the Share Subscription is in the interests of the Group, as disclosed in the paragraphs headed “Reasons for and Benefits of the Share Subscription and Use of Proceeds” above; and
- (c) there is no intention to introduce any major changes to the existing business of the Group or the continued employment of the Group’s employees, and there is no intention to redeploy the fixed assets of the Group other than in its ordinary course of business.

V. FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company had not conducted any fund-raising activities involving the issue of its equity securities in the twelve months immediately preceding the date of the Share Subscription Agreement and the Announcement.

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placings that would result in a theoretical dilution effect of 25% or more (on its own or when aggregated within a 12-month period), unless the Stock Exchange is satisfied that there are exceptional circumstances. As (i) the Company has not conducted any rights issue, open offer, or specific mandate placings within a 12-month period immediately preceding the date of the Share Subscription Agreement; and (ii) the Share Subscription will result in a theoretical dilution effect of approximately 0.43% (taking into account the theoretical diluted price of approximately HK\$2.34 per Share to the benchmarked price of approximately HK\$2.35 per Share, each as specified under Rule 7.27B), which is below 25% as specified under Rule 7.27B of the Listing Rules, the Share Subscription and the issue of the Subscription Shares thereunder comply with Rule 7.27B of the Listing Rules.

LETTER FROM THE BOARD

VI. EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately after Completion, assuming that there is no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date up to the Completion Date, are set out below:

	As at the Latest Practicable Date		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Non-public Shareholders				
The Subscriber	88,304,000	2.26%	768,304,000	16.77%
Mainfield International Limited (Note 1)	1,078,377,782	27.64%	1,078,377,782	23.54%
The Subscriber and parties acting in concert with it	1,166,681,782	29.90%	1,846,681,782	40.30%
Public Shareholders				
Public shareholders (Notes 2 and 3)	2,735,316,541	70.10%	2,735,316,541	59.70%
Total	3,901,998,323	100%	4,581,998,323	100%

Notes:

- (1) Mainfield International Limited is a wholly-owned subsidiary of the Subscriber.
- (2) Such Shares include 15,250,826 Shares held by Tricor Trust (Hong Kong) Limited (formerly known as Acheson Limited), the independent trustee of the Share Incentive Scheme for the purposes of satisfying the options granted under the Share Incentive Scheme. Shares held by Tricor Trust (Hong Kong) Limited for the purposes of the Share Incentive Scheme were contributed by the then Shareholders and the Share Incentive Scheme does not involve the grant of option to subscribe for new Shares. As at the Latest Practicable Date, none of the options under the Share Incentive Scheme are granted to any Directors.
- (3) Such Shares include 7,570,000 Shares held by exempt principal traders or exempt fund managers (each for the purposes of the Takeovers Code) within the CITIC Securities (Hong Kong) Limited group.
- (4) The percentage figures as set out above are subject to rounding adjustments and may not add up to 100%.

VII. APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

LETTER FROM THE BOARD

VIII. APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, the Subscriber and the parties acting in concert with it hold 1,166,681,782 Shares, representing approximately 29.90% of the issued share capital of the Company. Upon Completion, the shareholding of the Subscriber and the parties acting in concert with it will increase to approximately 40.30% of the issued share capital of the Company.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to the Subscriber will give rise to an obligation on the part of the Subscriber to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

The Subscriber has applied to the Executive (on behalf of itself and parties acting in concert with it) for the Whitewash Waiver from compliance with the obligations to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to the Subscriber. The Executive has indicated that it is minded to grant the Whitewash Waiver subject to, amongst others, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM.

The Executive may or may not grant the Whitewash Waiver. The Share Subscription will not proceed if the Whitewash Waiver is not granted or approved.

As at the Latest Practicable Date, the Company does not believe that the Share Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Share Subscription does not comply with other applicable rules and regulations.

IX. LISTING RULES IMPLICATIONS

As described in the section headed “Information of the Subscriber” in this circular, Mainfield International Limited, a substantial shareholder of the Company, is wholly-owned by the Subscriber, and the Subscriber is therefore a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and will be subject to announcement, reporting and the Independent Shareholders’ approval requirements.

LETTER FROM THE BOARD

X. ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong) has been formed to advise the Independent Shareholders on the terms of the Share Subscription and the Whitewash Waiver, and as to voting. As each of Mr. Ma Dewei and Dr. Zhao Wei (each a non-executive Director) holds certain positions in COFCO Corporation (i.e. the parent company of the Subscriber) and its subsidiaries, each of them is therefore not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders.

Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Share Subscription and the Whitewash Waiver and to make recommendation as to voting.

XI. PROFIT WARNING ANNOUNCEMENT AND PROFIT UPDATE ANNOUNCEMENT

Reference is made to (a) the September Operation Briefings Announcement and the Profit Warning Announcement, in which the Company announced the unaudited net loss before biological assets fair value adjustments of the Group for the period from July to September 2022 (the “**Q3 Net Loss**”) and the unaudited net loss attributable to owners of the Company before biological assets fair value adjustment for the year ended 31 December 2022 (the “**Before Adjustments Figure**”) respectively and (b) the Profit Update Announcement in which the Company announced the unaudited net profit attributable to owners of the Company after biological assets fair value adjustment for the year ended 31 December 2022 (the “**After Adjustments Figure**”).

Pursuant to Rule 10 of the Takeovers Code, each of the Before Adjustments Figure and After Adjustments Figure constitutes a profit forecast and shall be reported on by the Company’s financial adviser and auditor. In this regard, each of the Before Adjustments Figure and the After Adjustments Figure has been reported on by CITIC Securities (Hong Kong) Limited, the financial adviser to the Company in respect of the Share Subscription, and Baker Tilly Hong Kong Limited, the auditor of the Company, respectively. The full text of each of the Profit Warning Announcement and the Profit Update Announcement is reproduced in Appendix III and Appendix IV of this circular, respectively. Your attention is also drawn to the reports issued by CITIC Securities (Hong Kong) Limited and Baker Tilly Hong Kong Limited on the Before Adjustments Figure in the Profit Warning Announcement and the After Adjustments Figure in the Profit Update Announcement as set out in Appendix V and Appendix VI to this circular, respectively.

LETTER FROM THE BOARD

Given that (a) the Before Adjustments Figure covers the full financial year ended 31 December 2022 (including the three-month period from July to September 2022 as represented by the Q3 Net Loss); and (b) compliance with the reporting on obligations under Rule 10 of the Takeovers Code for both the Before Adjustments Figure and the Q3 Net Loss may be confusing to the Shareholders and will be unduly burdensome to the Company, compliance with the reporting on obligations for the Before Adjustments Figure as disclosed in the Profit Warning Announcement also constitutes compliance with the reporting on obligations for the Q3 Net Loss as set out in the September Operation Briefings Announcement in accordance with Rule 10 of the Takeovers Code.

XII. GENERAL

The EGM will be convened to consider and, if thought fit, pass the requisite resolutions to approve, among other things: (i) the Share Subscription Agreement (including the transactions contemplated thereunder and the Specific Mandate); and (ii) the Whitewash Waiver.

Resolutions approving the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver will be proposed at the EGM to be approved by the Independent Shareholders. The Whitewash Waiver will be proposed by way of a resolution to be passed by at least 75%, and the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) will be proposed by way of resolution(s) to be passed by more than 50%, of the votes cast by the Independent Shareholders that are cast either in person or by proxy, respectively, at the EGM. The voting at the EGM will be conducted by way of poll.

The Subscriber, its associates, and any parties acting in concert with it, and all other Shareholders who are interested or involved in the Share Subscription and/or the Whitewash Waiver (if any) are required to abstain from voting on the resolutions approving the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver at the EGM.

As at the Latest Practicable Date, as Mainfield International Limited is a wholly-owned subsidiary of the Subscriber, Mainfield International Limited will abstain from voting on the resolutions approving the Share Subscription and the Whitewash Waiver at the EGM.

Save as disclosed above and in the section headed “VI. Effects on Shareholding Structure of the Company”, as at the Latest Practicable Date, no other Shareholder had any material interest in the Share Subscription and the Whitewash Waiver, and no other Shareholder was required to abstain from voting at the EGM on the resolutions approving the Share Subscription and the Whitewash Waiver.

LETTER FROM THE BOARD

A notice convening the EGM to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 10 March 2023 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

A proxy form for use in connection with the EGM is accompanied with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 7 March 2023 to Friday, 10 March 2023, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 6 March 2023.

XIII. RECOMMENDATION

Your attention is drawn to: (i) the letter from the Independent Board Committee set out on pages 23 to 24 of this circular, containing its recommendation to the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver and (ii) the letter from the Independent Financial Adviser set out on pages 25 to 49 of this circular, containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver.

The Directors (including the members of the Independent Board Committee, whose views are set out in the letter from the Independent Board Committee) consider that the terms and conditions of the Share Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

As each of Mr. Jiang Guojin, Mr. Ma Dewei and Dr. Zhao Wei holds certain positions in COFCO Corporation (i.e. the parent company of the Subscriber) and its subsidiaries, each of them is or may be regarded as having a material interest in the Share Subscription and the Whitewash Waiver and has therefore abstained from voting on the board resolutions of the

LETTER FROM THE BOARD

Company for approving the Share Subscription and the Whitewash Waiver. Save as disclosed above, none of the Directors had a material interest in the Share Subscription and the Whitewash Waiver and no Director has abstained from voting on the relevant resolutions of the Board.

XIV. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Since Completion is subject to the fulfilment or waiver (as applicable) of the conditions as set out in the Share Subscription Agreement, the Share Subscription may or may not proceed.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription and the grant of the Specific Mandate, respectively, at the EGM. Completion is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

By order of the Board
COFCO Joycome Foods Limited
Jiang Guojin

Chairman, executive Director and general manager

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of a letter from the Independent Board Committee setting out its recommendation for the purpose of inclusion in this circular.



中糧家佳康食品有限公司 COFCO Joycome Foods Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01610)

17 February 2023

To the Independent Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular dated 17 February 2023 issued by the Company (the “**Circular**”) of which this letter forms part. Capitalised terms defined in the Circular have the same meanings herein unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Share Subscription, the Specific Mandate and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and to advise the Independent Shareholders how to vote at the EGM.

Somerley Capital Limited has been appointed to act as the Independent Financial Adviser with our approval to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Share Subscription, the Specific Mandate and the Whitewash Waiver. The text of the letter of advice from the Independent Financial Adviser containing their recommendation and the principal factors they have taken into account in arriving at their recommendation is set out on pages 25 to 49 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Independent Shareholders are recommended to read the letter of advice from the Independent Financial Adviser, the letter from the Board contained in the Circular as well as the additional information set out in the appendices to the Circular. Having considered the terms of the Share Subscription and the advice from the Independent Financial Adviser, we consider that the terms of the Share Subscription and the transactions contemplated thereunder (including but not limited to the Specific Mandate), and the Whitewash Waiver are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in respect of the Share Subscription, the Specific Mandate and the Whitewash Waiver to be proposed at the EGM.

Yours faithfully
Independent Board Committee

Mr. Fu Tingmei
*Independent non-executive
Director*

Mr. Li Michael Hankin
*Independent non-executive
Director*

Dr. Ju Jiandong
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Somerley Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED

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

17 February 2023

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE; AND (2) APPLICATION FOR WHITEWASH WAIVER

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the independent board committee and the independent shareholders of COFCO Joycome Foods Limited (the “**Company**”) in relation to the proposed subscription of new shares of the Company by COFCO (Hong Kong) Limited and the application for whitewash waiver (the “**Transactions**”). Details of the Transactions are set out in the “Letter from the Board” (the “**Board Letter**”) contained in the circular of the Company to the shareholders dated 17 February 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

On 11 January 2023 (after trading hours), the Company and the Subscriber entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 680,000,000 Subscription Shares at the Subscription Price of HK\$2.30 per Subscription Share for a total consideration of HK\$1,564,000,000 in cash.

As mentioned in the Board Letter, the Subscriber is the sole shareholder of Mainfield International Limited, a substantial shareholder of the Company, and is therefore a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and will be subject to announcement, reporting and the Independent Shareholders’ approval requirements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As further mentioned in the Board Letter, as at the Latest Practicable Date, the Subscriber and the parties acting in concert with it hold 1,166,681,782 Shares, representing approximately 29.90% of the issued share capital of the Company. Upon Completion, the shareholding of the Subscriber and the parties acting in concert with it will increase to approximately 40.30% of the issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to the Subscriber will give rise to an obligation on the part of the Subscriber to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it), unless the Whitewash Waiver is granted by the Executive. The Subscriber has applied to the Executive (on behalf of itself and parties acting in concert with it) for the Whitewash Waiver from compliance with the aforesaid obligations to make a mandatory general offer under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to the Subscriber. The Executive has indicated that it is minded to grant the Whitewash Waiver subject to, amongst others, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong, has been established to make a recommendation to the Independent Shareholders in relation to the Share Subscription and the Whitewash Waiver. As each of Mr. Ma Dewei and Dr. Zhao Wei (each a non-executive Director) holds certain positions in COFCO Corporation (i.e. the parent company of the Subscriber) and its subsidiaries, each of them is therefore not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders. We, Somerley Capital Limited, have been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are not associated with the Company, the Subscriber or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Share Subscription and the Whitewash Waiver. During the past two years prior to the Latest Practicable Date, there have been no engagements between Somerley Capital Limited and the Company or the Subscriber. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any payment or benefits from the Company, the Subscriber or any party acting, or presumed to be acting, in concert with any of them.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company (the “**Management**”) and we have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects. Should there be any material changes to our opinion after the Latest Practicable Date, the Independent Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter. However, we have not conducted any independent investigation into the business and affairs of the Group or the Subscriber, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion with respect to the Share Subscription and the Whitewash Waiver, we have taken into account the principal factors and reasons set out below.

A. The Share Subscription

1. Information on the Company

The Company is principally engaged in feed production, hog production, slaughtering and cutting, production, distribution and sale of fresh pork and processed meat products and the import and sale of frozen meat products in the PRC.

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2020 and 2021 (audited) and for the six months ended 30 June 2021 and 2022 (unaudited) as extracted from the 2021 annual report and 2022 interim report of the Company respectively:

	For the year ended		For the six months	
	31 December		ended 30 June	
	2021	2020	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	13,227,606	18,922,112	5,344,506	7,502,854
– Hog production	5,165,538	5,464,723	1,907,492	3,374,257
– Fresh pork	3,632,697	3,653,584	1,804,592	1,830,013
– Processed meat products	779,639	691,806	373,579	377,580
– Meat import	3,649,732	9,111,999	1,258,843	1,921,004
Profit/(loss) before biological assets fair value adjustments	2,353,715	2,910,475	(1,399,113)	1,561,360
Profit/(loss) attributable to owners of the Company after biological assets fair value adjustments	(459,697)	3,995,124	(462,030)	(425,590)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 30 June 2022 RMB'000	As at 31 December 2021 RMB'000	As at 31 December 2020 RMB'000
Total assets	19,671,951	18,029,427	20,561,996
– Current assets	8,893,551	7,605,355	10,640,452
– Non-current assets	10,778,400	10,424,072	9,921,544
Total liabilities	12,043,977	9,420,657	10,979,716
– Current liabilities	11,301,836	8,508,620	10,132,761
– Non-current liabilities	742,141	912,037	846,955
Net assets attributable to owners of the Company	7,485,989	8,459,867	9,409,273

(i) *Financial performance*

During the year ended 31 December 2021 (“**FY2021**”), the Group recorded revenue of approximately RMB13.23 billion, representing a decrease of approximately 30.09% as compared to that for the year ended 31 December 2020 (“**FY2020**”). With reference to the Company’s 2021 annual report, such decrease in revenue was mainly due to the reduction of pork imports based on analysis of market trends of the meat import business. The Group recorded a profit of approximately RMB2.35 billion prior to the adjustments in fair value of biological assets for FY2021, representing a decrease of approximately 19.13% as compared to that for FY2020. As advised by the Management, such decrease in profit was mainly attributable to the decrease in the average selling price of hogs. With reference to the Company’s 2021 annual report, the net effect of adjustment in fair value of biological assets, which represents impact of the changes in fair value of the biological assets on the financial statements in accordance with the accounting policies of the Company, on profit was (i) losses of approximately RMB2.84 billion during FY2021 and (ii) gains of approximately RMB1.11 billion during FY2020. The Group recorded a net loss attributable to the owners of the Company after biological assets fair value adjustments of approximately RMB459.70 million for FY2021, as compared to a net profit attributable to the owners of the Company after biological assets fair value adjustments of approximately RMB4.00 billion recorded for FY2020.

During the six months ended 30 June 2022 (“**HY2022**”), the Group recorded revenue of approximately RMB5.34 billion, representing a decrease of approximately 28.77% as compared to that for the six months ended 30 June 2021 (“**HY2021**”). With reference to the Company’s 2022 interim report, such decrease in revenue was mainly attributable to (i) decrease in the average selling price of hogs in the hog production business, and (ii) the strict risk control measures adopted by the import business against market volatility as part of its proactive initiative to reduce procurement of pork. The Group recorded a loss of approximately RMB1.40 billion before biological assets fair value adjustments during HY2022, as compared to a profit of approximately RMB1.56 billion before biological assets fair value adjustments during HY2021. With reference to the Company’s

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2022 interim report, such change from profit to loss was mainly due to a loss of approximately RMB1.29 billion recorded in the hog production segment which was in turn mainly due to (i) a significant decrease in the average selling price of hogs during HY2022 as compared to HY2021 and (ii) the realized and unrealised negative fair value changes of approximately RMB625.12 million in respect of commodity future contracts as a result of the surging futures prices in June 2022. With reference to the Company's 2022 interim report, the net effect of adjustment in fair value of biological assets on profit was (i) gains of approximately RMB930.17 million during HY2022 and (ii) losses of approximately RMB2.00 billion during HY2021. The Group recorded a net loss attributable to owners of the Company after biological assets fair value adjustments of approximately RMB462.03 million for HY2022, representing an increase of approximately 8.56% as compared to that for HY2021.

The Company published the Profit Warning Announcement on 6 January 2023 and the Profit Update Announcement on 6 February 2023. As set out in the Profit Warning Announcement, it is expected that the loss attributable to owners of the Company before biological assets fair value adjustments for the year ended 31 December 2022 of the Group will be approximately RMB0.25 billion to RMB0.45 billion (unaudited) (i.e. the Before Adjustments Figure), compared with the profit attributable to owners of the Company of RMB2.38 billion in the previous year. As set out in the Profit Update Announcement, the Group is expected to record a profit attributable to owners of the Company after biological assets fair value adjustments of approximately RMB0.25 billion to RMB0.39 billion (unaudited) for the year ended 31 December 2022 (i.e. the After Adjustments Figure), compared with the loss attributable to owners of the Company after biological assets fair value adjustments of approximately RMB0.46 billion for the year ended 31 December 2021. Further details are set out in the Profit Warning Announcement and the Profit Update Announcement which are also set out in Appendix III and Appendix IV to the Circular respectively. We noted from the Profit Warning Announcement and the Profit Update Announcement that the Before Adjustments Figure and the After Adjustments Figure constitute profit forecasts under Rule 10 of the Takeovers Code. In this respect, we understood from the Management that the Company has complied with the relevant requirements under Rule 10 of the Takeovers Code, with the Before Adjustments Figure and the After Adjustments Figure being separately reported on by the Company's financial adviser and auditors. We have reviewed the reports by the Company's financial adviser and auditors in respect of the Before Adjustments Figure and the After Adjustments Figure in accordance with Rule 10 of the Takeovers Code, which are contained in Appendix V and Appendix VI to the Circular respectively, and noted that (i) the financial adviser is of the view that the Before Adjustments Figure and the After Adjustments Figure have been made and approved by the Directors with due care and consideration and (ii) the auditors are of the opinion that so far as all accounting policies and calculations are concerned, the Before Adjustments Figure and the After Adjustments Figure have been properly compiled, in all material respect, in accordance with the basis adopted by the Directors. For details, please refer to Appendix V and Appendix VI to the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) Financial position

The Group had total assets of approximately RMB19.67 billion as at 30 June 2022, which mainly included (i) approximately RMB9.15 billion of property, plant and equipment; and (ii) approximately RMB2.66 billion of biological assets.

The Company recorded total liabilities of approximately RMB12.04 billion as at 30 June 2022, which mainly included approximately RMB7.12 billion of bank borrowings. The Group had net assets attributable to owners of the Company (“NAV”) of approximately RMB7.49 billion as at 30 June 2022.

The Group had total assets of approximately RMB19.67 billion and total liabilities of approximately RMB12.04 billion as at 30 June 2022 respectively, representing increases of approximately 9.11% and 27.85% as compared to those as at 31 December 2021. The liabilities-to-assets ratio of the Group (i.e. total liabilities divided by total assets) reached approximately 61.22% as at 30 June 2022 as compared to approximately 52.25% as at 31 December 2021. The Group had recorded a net current liabilities position as at 31 December 2021 and 30 June 2022. The Group had current assets of approximately RMB8.89 billion and current liabilities of approximately RMB11.30 billion as at 30 June 2022 respectively, representing increases of approximately 16.94% and 32.83% as compared to those as at 31 December 2021. The Group’s current ratio (i.e. current assets divided by current liabilities) decreased from approximately 89.38% as at 31 December 2021 to approximately 78.69% as at 30 June 2022. With reference to the Company’s 2022 interim report, the Group had net debt (being the interest-bearing bank loans and loans from related parties less cash and bank balances) of approximately RMB7,423 million and approximately RMB5,168 million as at 30 June 2022 and 31 December 2021 respectively. The net debt-to-equity ratio (being the net debt divided by total equity) was approximately 97.31% as at 30 June 2022, as compared to approximately 60.03% as at 31 December 2021.

(iii) Property interests and reassessed net assets of the Group attributable to owners of the Company

As discussed in the sub-section above, the Group had net assets attributable to owners of the Company of approximately RMB7.49 billion as at 30 June 2022, and substantial portion of the Group’s assets relates to property, plant and equipment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Company engaged Savills Valuation and Professional Services (China) Limited (the “**Valuer**”) to conduct the valuation on the market value of the properties of the Group in its existing state as at 30 November 2022 (the “**Valuation Date**”). According to the property valuation report as set out in Appendix II to the Circular (the “**Valuation Report**”), the valuation of the properties of the Group is summarised as follows:

	Market value attributable to the Group as at 30 November 2022
	<i>RMB'000</i>
Held for owner occupation	1,111,000
Held under development	6,800
Total	1,117,800

Notes:

1. According to the Valuation Report, one of the Group’s properties had been included in the list of resumption, and the Valuer has ascribed no commercial value to such property as the property will be resumed and before that the property cannot be transferred in the market.
2. According to the Valuation Report, the Valuer has ascribed no commercial value to certain properties which have not obtained any valid title documents or have restricted transferability. For reference purpose only, the aggregate depreciated replacement cost of such properties attributable to the Group would be approximately RMB6.07 billion.

We have reviewed the Valuation Report as contained in Appendix II to the Circular, and have discussed with the Valuer on (i) bases and assumptions used; (ii) valuation methodology adopted; and (iii) due diligence work performed. We note that the Valuer has used various valuation methodologies for arriving at the valuations of the property interests. They include (1) depreciated replacement cost method, which 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; and (2) the direct comparison method by making reference to sales of comparable properties assuming sales on vacant possession basis. We have discussed the overall approach to the valuation and queried the selection of relevant valuation methodologies for major property interests. We concur with the valuation approaches the Valuer has taken in valuing the different types of properties.

We have also (i) reviewed the terms of engagement between the Valuer and the Company; and (ii) conducted an interview with the Valuer to discuss, among others, their qualification and experience in relation to the preparation of the Valuation Report. Based on the relevant information provided by the Valuer and our interview with it, we are satisfied with the terms of engagement (including the scope of work) of the Valuer as well as its qualification and experience for preparation of the Valuation Report. The Valuer also confirmed that it is independent to the Group and the Subscriber.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As part of our assessment, we have considered the Group's reassessed net assets attributable to owners of the Company (the "Reassessed NAV") based on the Group's unaudited consolidated NAV as at 30 June 2022, adjusted as follows:

	<i>RMB'000</i>
NAV as at 30 June 2022	7,485,989
<i>Adjustments:</i>	
<i>Net revaluation surplus arising from the valuation of properties attributable to the Group as at the Valuation Date (Note 1)</i>	<i>80,854</i>
<i>Net tax as a result of the revaluation surplus on the property interests (Note 2)</i>	<i>(20,214)</i>
Reassessed NAV	7,546,629
	RMB1.93
	(equivalent to
	approximately
Reassessed NAV per Share (Note 3)	HK\$2.26)

Notes:

1. As advised by the Management, this represents the net revaluation surplus arising from the differences between the market values of the properties of the Group as valued by the Valuer and their corresponding book values as at the Valuation Date. Such revaluation differences were calculated by comparing the market value and the net book value of the properties, assuming the Group would have disposed of the property interests to recognise the effects of the net revaluation surplus/deficit. However, since the Group intends to continue holding such property interests and in accordance with the Company's accounting policies, it did not mean that the NAV as contained in the consolidated financial statements of the Group will be adjusted, nor did it mean that the Group will realise any immediate gain/loss in its consolidated financial statements from revaluation of the property interests.

As mentioned earlier in this sub-section, the Valuer has ascribed no commercial value to certain properties which have not obtained any valid title documents, have restricted transferability and/or have been included in the list of resumption. We note from the Valuation Report that such properties would not be freely transferrable by the Group. For the purpose of this analysis, such properties have been excluded in the above calculation.

2. As advised by the Management, this represents the potential PRC corporate income tax attributable to the revaluation surplus on the property interests of the Group.
3. Based on the exchange rate of HK\$1:RMB0.85519 for illustration purposes

As set out in the table above, the Reassessed NAV per Share is approximately RMB1.93 (equivalent to approximately HK\$2.26). The Subscription Price of HK\$2.30 per Subscription Share represents a premium of approximately 1.77% over the Reassessed NAV per Share. Further details of our analysis on the Subscription Price are set out in the section headed "5. Analysis of the Subscription Price" of this letter.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Information on the Subscriber

With reference to the Board Letter, the Subscriber is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding. As at the Latest Practicable Date, Mainfield International Limited, a substantial shareholder of the Company, is wholly-owned by the Subscriber, and the Subscriber is therefore a connected person of the Company. As at the Latest Practicable Date, the Subscriber is wholly-owned by COFCO Corporation. COFCO Corporation is a state-owned company in the PRC which is principally engaged in agricultural commodities trading, agricultural products processing, food and beverages, hotel management, real estate, logistics and financial services.

3. Reasons for and benefits of the Share Subscription and use of proceeds

With reference to the Board Letter, the maximum gross proceeds from the Share Subscription will be approximately HK\$1,564 million. The maximum net proceeds (after deducting placing commission and other relevant costs and expenses) from the Share Subscription will be approximately HK\$1,551 million and the net subscription price of each Subscription Share will be approximately HK\$2.28. The net proceeds from the Share Subscription are intended to be used as to (i) approximately 70% of the net proceeds (being approximately HK\$1,086 million) for expanding production capabilities and enhancing the branded fresh meat distribution, further details of which are set out in this section below; and (ii) approximately 30% of the net proceeds (being approximately HK\$465 million) for repaying the short term loan and replenishing the general working capital.

As set out in the Board Letter, the reasons and benefits of the Share Subscription include (i) expanding the Company's production and distribution scale, improving its industry competitiveness and meeting the Company's long-term development fund needs; (ii) improving the Company's capital structure, reducing its financial risk; and (iii) further support from the Subscriber is favourable to the Company's long-term development. These are further discussed below.

- (i) *Expanding the Company's production and distribution scale, improving its industry competitiveness and meeting the Company's long-term development fund needs*

With reference to the Board Letter, the Company intends to further expand the scale of hog industry chain, including the scale of hog stock, and to strengthen the distribution of downstream branded fresh meat. The Share Subscription will provide necessary funding to the Company for constructing more hog farms (including environmental protection facilities), introducing and breeding high quality purebred hogs, and promoting the branded fresh pork products. These will be beneficial to the Company on improving its operation scale and industry ranking, realizing its growth potential and long-term competitiveness.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As mentioned earlier and as set out in the Board Letter, approximately 70% of the net proceeds (being approximately HK\$1,086 million) will be used for expanding production capabilities and enhancing the branded fresh meat distribution. Such expansion plans include but not limited to construction of hog breeding and farming facilities (such as sows and hogs houses, heating systems, water and electricity supply, and environmental protection facilities) in Inner Mongolia, Hubei, Jilin and other provinces of the PRC, the construction of which are expected to commence in the 2nd to 3rd quarter of 2023. The expanded hog farming facilities will be used to enhance the hog production capacity of the Group (through increasing the production volume of hogs, including piglets, nursery hogs, medium and finishing hogs and replacement studs and gilts each year), while the expanded hog breeding facilities will be used to expand the inventory of nucleus herd breeding volume each year, which will in turn enhance the hog production efficiency and allow the Group to provide high quality hogs to its downstream branded pork business. Meanwhile, the Company will increase the breadth and depth of sales outlets and invest more in branding activities to enhance brand awareness and further promote its branded fresh meat business. We have discussed with the Management regarding further details of the aforesaid expansion in production capabilities. Based on our review and discussion with the Management, we note that it is consistent with the aforesaid expansion plan, in particular that (a) the expansion covers hog breeding and farming facilities in difference provinces in the PRC and such expansion has been planned with an aim to increase the Group's production capabilities, which will be important for the Group to enhance its operation scale and maintain its competitiveness; and (b) the expansion projects are expected to commence in the 2nd to 3rd quarter of 2023, and funding will be required for the commencement of the projects. We also note from the 2021 annual report of the Company that there were approximately RMB1.6 billion and RMB1.5 billion of addition in property, plant and equipment of the Group during each of the year ended 31 December 2020 and 2021 respectively (which, as advised by the Management, mainly represented production facilities of the Group). In view of the above, we consider that the expected usage of approximately 70% of the net proceeds for expanding production capabilities and enhancing the branded fresh meat distribution to be justifiable.

In addition to the benefits mentioned above, we are of the view that the use of proceeds for expanding production capabilities and enhancing the branded fresh meat distribution is in line with the development plan of the PRC government and the Company's development strategy. In this respect, we have considered the following:

- According to the "14th Five-Year Plan on National Animal Husbandry and Veterinary Industry Development" 《“十四五”全國畜牧獸醫行業發展規劃》 published by the Ministry of Agriculture and Rural Affairs of the PRC on 14 December 2021, the expansion of production capacity and supply assurance capability is one of the key targets of the PRC animal husbandry during the 14th five-year period. The total meat production volume of the PRC animal husbandry is expected to increase by approximately 15% from approximately 77.48 million tons in 2020 to approximately 89.00 million tons in 2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- As further mentioned in the “14th Five-Year Plan on National Animal Husbandry and Veterinary Industry Development” 《“十四五”全國畜牧獸醫行業發展規劃》, in order to scale operation, the PRC government will lead breeding farms to expand the production facilities, expand breeding scale and improve the standard breeding level. The PRC government also calls for the upgrade of equipment facilities of the breeding farms. The percentage of large-scaled breeding in the PRC animal husbandry is expected to increase from approximately 67.5% in 2020 to approximately 78% in 2025.
- The Company is one of the leading meat enterprises in the PRC whose business and operation cover the entire industry chain with feed production, hog breeding, farming, slaughtering and processing capability. The use of proceeds for expanding production capabilities and enhancing the branded fresh meat distribution is in line with the principal business of the Group and the aforesaid industry development plan of the PRC government.
- The Group has made continuous effort in expanding its production capabilities and enhancing branded fresh meat distribution. With reference to the Company’s 2022 interim report, the Company has established modern hog production bases and in-house feed mills in provinces and cities including Jilin, Inner Mongolia, Tianjin, Hebei, Henan, Jiangsu and Hubei and planned to further expand its hog production capacity. In relation to the fresh pork segment, the Company owned four modern slaughtering and processing bases in Jiangsu, Hubei, Jilin and Inner Mongolia (which was newly completed and put into operation in August 2022), and a cutting center in Guangdong (which was newly completed and put into operation in June 2022). The Company vigorously develops branded business through the “Joycome” brand, which covers the pork consumption market in major cities and areas such as Shanghai and the Yangtze River Delta, Beijing, Wuhan, Jilin, Guangdong and Inner Mongolia.

Accordingly, we are of the view that the use of proceeds in expanding production capabilities and enhancing the branded fresh meat distribution is in line with the Group’s existing development strategy and supports the growth of its principal businesses.

(ii) Improving the Company’s capital structure and reducing its financial risk

As mentioned earlier, approximately 30% of the net proceeds (being approximately HK\$465 million) will be used for repaying the short term loan and replenishing the general working capital.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the Board Letter, the repayment of the short-term loan can effectively reduce the impact of the rising financing costs and improve the capital structure of the Company. The replenishment of the working capital can provide more resources to conduct further business expansion and enhance the Company's overall financial position and liquidity.

As shown in the section headed "1. Information on the Company" above, the Group's liabilities-to-assets ratio of the Group reached approximately 61.22% as at 30 June 2022 as compared to approximately 52.25% as at 31 December 2021, while the Group's current ratio decreased from approximately 89.38% as at 31 December 2021 to approximately 78.69% as at 30 June 2022. The net debt-to-equity ratio also increased from approximately 60.03% as at 31 December 2021 to approximately 97.31% as at 30 June 2022. As illustrated in the section headed "6. Financial effects of the Share Subscription" below, immediately upon Completion, the Group's current assets, total assets and total equity are expected to increase while net debt is expected to decrease, improving the liabilities-to-assets ratio, current ratio and net debt-to-equity ratio of the Group. Further details of the financial effects of the Share Subscription are set out in the aforesaid section of this letter below. Accordingly, we consider the use of proceeds for repaying the short term loan and replenishing the general working capital to be justifiable.

(iii) Further support from the Subscriber is favorable to the Company's long-term development

As mentioned in the Board Letter, upon Completion, the interest of the Subscriber will be further aligned with the performance of the Company. The Share Subscription will allow the Subscriber more flexibility and higher efficiency in supporting the long-term business development of the Company, which in turn facilitates the Company to realize its own long-term development strategy. The increase in the Subscriber's shareholding in the Company also indicates confidence in the continued long-term growth of the Company from the Subscriber.

As further mentioned in the Board Letter, the Company has also examined various options to finance the above expansion plan, including but not limited to debt financing and various means of equity issuance. Among the possible alternatives available to the Company, the Company considers that the Share Subscription is an appropriate and cost effective fundraising method to the Company. Comparing to debt financing, the Share Subscription is lower in finance cost and able to optimize the capital structure of the Company. Comparing to other equity issuance methods, such as rights issue, open offer and placing new shares to an independent third party, the Share Subscription is lower in issuance cost and is less time-consuming.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Upon Completion, the Subscriber will become a controlling shareholder (within the meaning of the Listing Rules) of the Company. With reference to the Board Letter, the Subscriber considers and confirms that:

- (a) it is intended that the Group will continue its existing business following Completion;
- (b) it shares the view of the Company that the Share Subscription is in the interests of the Group, as disclosed in the paragraphs headed “Reasons for and Benefits of the Share Subscription and Use of Proceeds” in the Board Letter; and
- (c) there is no intention to introduce any major changes to the existing business of the Group or the continued employment of the Group’s employees, and there is no intention to redeploy the fixed assets of the Group other than in its ordinary course of business.

Taking into account the above, in particular that (i) the Share Subscription will provide necessary funding to the Company for its business development; (ii) the use of proceeds for expanding production capabilities and enhancing the branded fresh meat distribution is in line with the development plan of the PRC government and the Company’s development strategy; (iii) given the aforementioned latest financial condition of the Group (in particular the increasing liabilities-to-assets ratio and net debt-to-equity ratio, and decreasing current ratio), the use of proceeds for repaying the short term loan and replenishing the general working capital will improve the Company’s capital structure and reduce its financial risk; and (iv) the Share Subscription indicates confidence in the continued long-term growth of the Company from the Subscriber, we consider that although the Share Subscription is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Share Subscription

Set out below are the principal terms and conditions of the Share Subscription Agreement, details of which are set out in the section headed “Principal terms of the Share Subscription Agreement” of the Board Letter:

Date:

11 January 2023

Parties:

- (1) The Company (as issuer); and
- (2) the Subscriber (as subscriber)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Total Subscription consideration:

HK\$1,564,000,000

Subscription price per Subscription Share:

HK\$2.30

The Subscription Shares:

680,000,000 Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription, which represents:

- (a) approximately 17.43% of the existing issued share capital of the Company as at the Latest Practicable Date; and
- (b) approximately 14.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Share Subscription.

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue.

Conditions precedent:

Completion of the Share Subscription is conditional upon satisfaction or (if applicable) waiver of the certain conditions, including, among other things:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares and such approval and permission remaining in full force and effect;
- (b) the approval by (i) more than 50% of the votes cast by the Independent Shareholders at the EGM in respect of the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandate and (ii) at least 75% of the votes cast by the Independent Shareholders at the EGM in respect of the Whitewash Waiver;
- (c) the granting of the Whitewash Waiver by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligation on the part of the Subscriber and the parties acting in concert with it to make a mandatory general offer for all the Shares and other securities of the Company (other than

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

those already owned or agreed to be acquired by the Subscriber and its concert parties) as a result of the allotment and issue of the Shares pursuant to the Share Subscription, and the Whitewash Waiver remaining in full force and effect;

- (d) the Subscriber having obtained all necessary approval, consents or filings from applicable regulatory authorities in respect of the Share Subscription, including the approval from competent state-owned assets supervision and administration authority in the PRC, and such approval, consents or filings remaining in full force and effect; and
- (e) 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 date of the Circular and the Completion Date without prior written consent of the Subscriber.

As at the Latest Practicable Date, none of the conditions precedent to the Share Subscription Agreement has been satisfied or (if applicable) waived. Further details of the conditions precedent are set out in the section headed “Principal terms of the Share Subscription Agreement” of the Board Letter.

5. *Analysis of the Subscription Price*

(a) Comparison of the Subscription Price to market price

With reference to the Board Letter, the Subscription Price was determined after arm’s length negotiations between the Company and the Subscriber with reference to (i) the recent and historical market prices of the Shares; (ii) the trading liquidity of the Shares; (iii) market comparable analysis; and (iv) the amount of funds that the Company intends to raise under the Share Subscription.

The Subscription Price of HK\$2.30 per Subscription Share represents:

- (i) a discount of approximately 5.35% to the closing price of HK\$2.43 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 1.71% to the closing price of HK\$2.34 per Share as quoted on the Stock Exchange on the date of the Share Subscription Agreement;
- (iii) a discount of approximately 2.13% to the average closing price of HK\$2.35 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Share Subscription Agreement;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) a premium of approximately 4.55% over the average closing price of HK\$2.20 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to the date of the Share Subscription Agreement;
- (v) a premium of approximately 10.05% over the average closing price of HK\$2.09 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to the date of the Share Subscription Agreement;
- (vi) a discount of approximately 13.21% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2021 of approximately RMB2.17 per Share (equivalent to approximately HK\$2.65 per Share) calculated based on the audited consolidated net asset of the Group attributable to the Shareholders of approximately RMB8,460 million as at 31 December 2021 as extracted from the annual report of the Company for the year ended 31 December 2021 and 3,901,998,323 Shares then in issue (based on the exchange rate of HK\$1:RMB0.8176 as at 31 December 2021 published by the State Administration of Foreign Exchange of the PRC for illustration purposes);
- (vii) a premium of approximately 2.68% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2022 of approximately RMB1.92 per Share (equivalent to approximately HK\$2.24 per Share) calculated based on the unaudited consolidated net asset of the Group attributable to the Shareholders of approximately RMB7,486 million as at 30 June 2022 (“NAV”) as extracted from the interim report of the Company for the six months ended 30 June 2022 and 3,901,998,323 Shares then in issue (based on the exchange rate of HK\$1:RMB0.85519 as at 30 June 2022 published by the State Administration of Foreign Exchange of the PRC for illustration purposes); and
- (viii) a premium of approximately 1.77% over the Reassessed NAV per Share of approximately HK\$2.26.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) *Share price performance*

We reviewed the daily closing price of the Shares as quoted on the Stock Exchange from 1 January 2022, being approximately one year prior to the date of the Share Subscription Agreement, up to and including the Latest Practicable Date (the “**Review Period**”). The comparison of daily closing price of the Shares and the Subscription Price is illustrated as follows:



Source: The Stock Exchange's website

During the Review Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$4.04 recorded on 4 July 2022 and HK\$1.65 recorded on 31 October 2022 respectively. The Subscription Price of HK\$2.30 is within the range of closing prices of the Shares as quoted on the Stock Exchange during the Review Period.

From the start of the Review Period and until May 2022, the closing price of the Shares fluctuated between HK\$2.63 and HK\$3.75. The closing price of the Shares was on an increasing trend since June 2022. The closing price of the Shares increased from HK\$3.07 on 1 June 2022 to its peak of HK\$4.04 on 4 July 2022. After that, the closing price of Shares gradually decreased and reached the low at HK\$1.65 on 31 October 2022. The closing price of the Shares recovered slightly and increased again since November 2022. The closing price of the Shares was HK\$2.34 on 11 January 2023, being the date of the Share Subscription Agreement.

As confirmed by the Company, the Company was not aware of any specific reason which caused the aforesaid movements of the closing price of the Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the period from 12 January 2022 up to and including the Latest Practicable Date, the closing price of the Shares ranged from HK\$2.43 and HK\$2.66.

(c) Comparison with other comparable transactions and comparable companies

We performed a trading multiple analysis which includes the price-to-book (“**P/B**”) ratio and price-to-sales (“**P/S**”) ratio. Given that the Company was loss making for FY2021, we consider the price-to-earnings ratio analysis to be inapplicable. As regards other profitability ratios (such as enterprise value and earnings before interest, taxes, depreciation, and amortization), the calculation of such ratios would require certain adjustments of other items (such as the amounts of debt and interest) which may not all be readily available from public documents of the comparable companies. Accordingly, we performed our analysis based on the P/B ratio and the P/S ratio which are commonly adopted in performing similar analysis. We have identified comparable companies listed on the Main Board of the Stock Exchange in the animal husbandry which derived more than 50% of their revenue from production, distribution and sale of meat products based on their latest published annual reports available as at the date immediately before the Latest Practicable Date (the “**Comparable Companies**”). Based on the above selection criteria, we have identified 2 Comparable Companies and it is exhaustive.

Comparable Companies	Principal activities	P/B <i>(Note 1)</i>	P/S <i>(Note 1)</i>
WH Group Limited (Stock code: 288)	Pork business	0.86	0.29
Shandong Fengxiang Co., Ltd. (Stock code: 9977)	Chicken breeding, livestock slaughtering, and the manufacture and sale of chicken meat products	0.56	0.38
The Company (based on the Subscription Price)		1.03 <i>(Note 2)</i>	0.55 <i>(Note 3)</i>

Notes:

1. The P/B ratios and P/S ratios of the Comparable Companies are sourced from Bloomberg as at the Latest Practicable Date.
2. The implied P/B ratio of the Company (based on the Subscription Price) is calculated based on the Subscription Price and the NAV per Share as at 30 June 2022.
3. The implied P/S ratio of the Company (based on the Subscription Price) is calculated based on the Subscription Price and the Group’s revenue per Share for FY2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that the Comparable Companies are listed on the same stock market of the Company and have principal business activities similar to those of the Company, we consider that the Comparable Companies represent a fair reference for the peer comparison analysis. As shown in the table above, the implied P/B ratio and implied P/S ratio of the Company (based on the Subscription Price) are above the P/B ratios and P/S ratios of the Comparable Companies respectively.

We have also searched the website of the Stock Exchange on a best efforts basis to identify transactions involving issue of new shares for cash and application of whitewash waiver announced by companies listed on the main board of the Stock Exchange (the “**Comparable Transactions**”) during the period from 1 January 2020 up to 11 January 2023 (being an approximately three-year period prior to and including the date of the Share Subscription Agreement), excluding cases where the whitewash waiver was not approved by the shareholders, transactions by prolonged suspension company with trading suspended for more than three months at the time of the share subscription agreement, transactions involving issue of domestic/A shares and restructuring transactions. We found 9 transactions which met the said criteria and it is exhaustive.

Company (stock code)	Principal activities at the time of announcement	Date of announcement	Premium/(discount) of the subscription price to closing price per share on the date of agreement in relation to the respective subscriptions of new shares (%)	Dilution to the shareholding of public shareholders as a result of the respective subscriptions of new shares (approximate percentage point) <i>(note 1)</i>
Link-Asia International MedTech Group Limited (1143)	Electronic manufacturing services	13 September 2022	78.37	21.17
Shandong Hi-Speed New Energy Group Limited (1250) (formerly known as Beijing Enterprises Clean Energy Group Limited)	Clean energy generation business	14 March 2022	(7.69)	14.74
Lingbao Gold Group Company Ltd. (3330)	Mining, processing, smelting and sales of gold and other metallic products	11 November 2021	(13.27)	9.29 <i>(note 2)</i>
New Focus Auto Tech Holdings Limited (360)	Provision of auto aftermarkets services	28 May 2021	(30.59)	18.21

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (stock code)	Principal activities at the time of announcement	Date of announcement	Premium/(discount) of the subscription price to closing price per share on the date of agreement in relation to the respective subscriptions of new shares (%)	Dilution to the shareholding of public shareholders as a result of the respective subscriptions of new shares (approximate percentage point) (note 1)
Carrianna Group Holdings Company Limited (126)	Food and restaurant-related businesses	8 March 2021	(10.00)	5.26
China Dredging Environment Protection Holdings Limited (871)	Capital and reclamation dredging businesses	14 January 2021	11.11	27.22
International Genius Company (33) (formerly known as Amber Hill Financial Holdings Limited)	Trading of party products	11 September 2020	(23.66)	55.28 (note 3)
Asia Energy Logistics Group Limited (351)	Provision of shipping services	27 March 2020	(3.03)	56.27
China Finance Investment Holdings Limited (875)	Cultivation, processing and trading of agricultural products	6 February 2020	(31.58)	63.41
		Maximum	78.37	63.41
		Minimum	(31.58)	5.26
		Average	(3.37)	30.10
		Median	(10.00)	21.17
Share Subscription			(1.71)	10.40

Notes:

- (1) Based on the shareholding of the public shareholders according to the disclosure in the respective announcements.
- (2) Based on the shareholding of the public H shareholders according to the disclosure in the announcement.
- (3) The subject subscription was conditional on, among others, the completion of rights issue of the company. The dilution attributable to the subscription is based on (i) the shareholding of the public shareholders upon the completion of the rights issue (assuming all shareholders have taken up the entitled rights shares in the right issues) compared against (ii) the shareholding of the public shareholders immediately upon the completion of the rights issue (assuming all shareholders have taken up the entitled rights shares in the right issues) and the issue of subscription shares, according to the disclosure in the announcement (i.e. the dilution attributable to the rights issue was not considered).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The subscription prices of the Comparable Transactions ranged from a discount of approximately 31.58% to a premium of approximately 78.37% to the closing prices of the shares on the date of agreement in relation to the respective subscription of new shares, representing average and median discount of approximately 3.27% and 10.00% respectively to the closing prices of the shares on the date of agreement in relation to the respective subscription of new shares. The Subscription Price represents a discount of approximately 1.71% to the closing price of the Shares on the date of the Share Subscription Agreement (the “**Share Subscription Discount**”), which is lower than the average and median discounts as represented by the Comparable Transactions.

The discussion in relation to the dilution to the shareholding of the public shareholders is included in the section headed “7. Effect on the shareholding interests of the public Shareholders” below.

Taking into account that (i) the Subscription Price is set at a level similar to the closing price as at the date of the Share Subscription Agreement; (ii) the Subscription Price is within the range of closing prices of the Shares during the Review Period; (iii) the implied P/B ratio and implied P/S ratio of the Company (based on the Subscription Price) are above the P/B ratios and P/S ratios of the Comparable Companies respectively; and (iv) the Share Subscription Discount is lower than the average and median discounts as represented by the Comparable Transactions, we consider that the Subscription Price is fair and reasonable

6. *Financial effects of the Share Subscription*

(i) *Net asset value*

As set out in the Company’s 2022 interim report, the Group’s NAV per Share as at 30 June 2022 was approximately RMB1.92 (equivalent to approximately HK\$2.24). As set out in the Board Letter, 680,000,000 Shares will be issued under the Share Subscription and the maximum net proceeds (after deducting placing commission and other relevant costs and expenses) from the Share Subscription will be approximately HK\$1,551 million and the net subscription price of each Subscription Share will be approximately HK\$2.28. The table below sets out, for illustration purpose, the effect on the Group’s NAV per Share:

	RMB’000 <i>(approximate)</i>
NAV as at 30 June 2022	7,485,989
Add: <i>Estimated maximum net proceeds from the Share Subscription</i>	1,342,933 <i>(note)</i>
NAV upon Completion	8,828,922

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Number of Shares
Number of Shares in issue as at 30 June 2022	3,901,998,323
<i>Add: Number of Subscription Shares to be issued</i>	680,000,000
Number of Shares upon Completion	4,581,998,323
NAV per Share immediately after Completion	RMB1.93
Change in NAV per Share	0.52%

Note: Based on the exchange rate of HK\$1: RMB0.86585 for illustration purposes.

As illustrated above, upon Completion, the NAV per Share will increase by approximately 0.52%.

(ii) Liabilities-to-assets ratio

As set out in the Company's 2022 interim report, as at 30 June 2022, the Group had total liabilities and total assets of approximately RMB12.04 billion and RMB19.67 billion respectively. The liabilities-to-assets ratio of the Group was approximately 61.22% as at 30 June 2022. Immediately upon Completion, the total assets of the Group will increase by the amount of the net proceeds and hence the liabilities-to-assets ratio of the Group will decrease to approximately 57.31% (based on the maximum net proceeds from the Share Subscription of approximately HK\$1,551 million and the exchange rate of HK\$1:RMB0.86585 for illustration purposes).

(iii) Current ratio

As set out in the Company's 2022 interim report, as at 30 June 2022, the Group had current assets and current liabilities of approximately RMB8.89 billion and RMB11.30 billion respectively. The current ratio of the Group was approximately 78.69% as at 30 June 2022. Immediately upon Completion, the current assets of the Group will increase by the amount of the net proceeds and hence the current ratio of the Group will increase to approximately 90.57% (based on the maximum net proceeds from the Share Subscription of approximately HK\$1,551 million and the exchange rate of HK\$1:RMB0.86585 for illustration purposes).

(iv) Net debt-to-equity ratio

As set out in the Company's 2022 interim report, the Group had net debt (being the interest-bearing bank loans and loans from related parties less cash and bank balances) of approximately RMB7,423 million as at 30 June 2022. The net debt-to-equity ratio (being the net debt divided by total equity) was approximately 97.31% as at 30 June 2022. Immediately upon Completion, the net debt of the Group will decrease by the amount of the net proceeds while the total equity will increase by the amount of the net proceeds.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The net debt-to-equity ratio of the Group will decrease to approximately 67.77% (based on the maximum net proceeds from the Share Subscription of approximately HK\$1,551 million and the exchange rate of HK\$1:RMB0.86585 for illustration purposes).

7. *Effect on the shareholding interests of the public Shareholders*

As illustrated in the section headed “VI. EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY” of the Board Letter, the shareholding interests of the public Shareholders would be diluted by approximately 10.40 percentage points as a result of the Share Subscription (the “**Share Subscription Dilution**”).

As set out in the sub-section headed “(c) Comparison with other comparable transactions and comparable companies” above, the dilution of shareholding interests of the public shareholders as a result of the issues of subscription shares under the Comparable Transactions ranged from approximately 5.26 percentage points to approximately 63.41 percentage points, with average and median of approximately 30.10 percentage points and 21.17 percentage points respectively. The Share Subscription Dilution is lower than the average and median dilution as represented by the Comparable Transactions.

Taking into account (i) the reasons for and benefits of the Share Subscription; (ii) the Subscription Price being fair and reasonable; and (iii) that the Share Subscription Dilution is lower than the average and median dilution as represented by the Comparable Transactions, we are of the view that the said level of dilution to the shareholding interests of the public Shareholders as a result of the Share Subscription is acceptable.

8. *Our view on the Share Subscription*

Having taken into account the above principal factors and reasons, we are of the view that (i) the terms of the Share Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Share Subscription is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Independent Shareholders as a whole.

B. *Application for Whitewash Waiver*

As at the Latest Practicable Date, the Subscriber and the parties acting in concert with it hold 1,166,681,782 Shares, representing approximately 29.90% of the issued share capital of the Company. Upon Completion, the shareholding of the Subscriber and the parties acting in concert with it will increase to approximately 40.30% of the issued share capital of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to the Subscriber will give rise to an obligation on the part of the Subscriber to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it), unless the Whitewash Waiver is granted by the Executive.

The Subscriber has applied to the Executive (on behalf of itself and parties acting in concert with it) for the Whitewash Waiver from compliance with the obligations to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to the Subscriber. The Executive has indicated that it is minded to grant the Whitewash Waiver subject to, amongst others, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM.

Given that the Share Subscription is conditional upon, amongst other, the granting of the Whitewash Waiver by the Executive pursuant to the Takeovers Code, and the Whitewash Waiver remaining in full force and effect, the Share Subscription will not proceed if the Whitewash Waiver is not granted by the Executive or the Share Subscription as well as the Whitewash Waiver are not approved by the Independent Shareholders at the EGM.

In view of (i) the aforesaid reasons for and benefits of the Share Subscription and that the Share Subscription is in the interests of the Company and the Independent Shareholders as a whole; and (ii) that the terms of the Share Subscription are fair and reasonable so far as the Independent Shareholders are concerned, we are of the opinion that the approval of the Whitewash Waiver, which is a prerequisite for the completion of the Share Subscription, is (a) in the interests of the Company and the Independent Shareholders as a whole; and (b) fair and reasonable for the purpose of proceeding with the Share Subscription.

OPINION AND RECOMMENDATION

As set out in this letter above, we are of the view that (i) the terms of the Share Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Share Subscription is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Independent Shareholders as a whole. We are also of the opinion that the approval of the Whitewash Waiver, which is a prerequisite for the completion of the Share Subscription, is (a) in the interests of the Company and the Independent Shareholders as a whole; and (b) fair and reasonable for the purpose of proceeding with the Share Subscription.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Share Subscription (including the Specific Mandate) and the Whitewash Waiver.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Clifford Cheng
Director

Mr. Clifford Cheng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over ten years of experience in the corporate finance industry.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following summary of financial information for each of the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2021 and 2022 is extracted from the consolidated financial statements of the Company as set forth in the annual reports of the Company for the years ended 31 December 2019, 2020 and 2021 and the interim reports of the Company for the six months ended 30 June 2021 and 2022, respectively.

	For the year ended 31 December			For the six months ended	
	2019	2020	2021	2021	2022
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	11,078,665	18,922,112	13,227,606	7,502,854	5,344,506
Profit/(loss) before tax ^{Note}	1,531,489	3,937,574	(1,356)	(347,060)	(380,888)
Income tax (expense)/credit	(9,266)	87,060	(482,445)	(92,089)	(88,060)
Profit/(loss) for the period ^{Note}	1,522,223	4,024,634	(483,801)	(439,149)	(468,948)
Total comprehensive (expense)/income for the period	1,329,345	3,955,584	(304,674)	(340,797)	(407,202)
Profit/(loss) for the period attributable to:					
– Owners of the Company ^{Note}	1,573,727	3,995,124	(459,697)	(425,590)	(462,030)
– Non-controlling interests ^{Note}	(51,504)	29,510	(24,104)	(13,559)	(6,918)
	1,522,223	4,024,634	(483,801)	(439,149)	(468,948)
Total comprehensive (expense)/income for the period attributable to:					
– Owners of the Company	1,380,849	3,926,074	(280,570)	(327,238)	(400,284)
– Non-controlling interests	(51,504)	29,510	(24,104)	(13,559)	(6,918)
	1,329,345	3,955,584	(304,674)	(340,797)	(407,202)
Dividend	–	573,394	668,836	668,836	573,594
Dividend per Share	–	HK\$0.166	HK\$0.206	HK\$0.206	HK\$0.180
Earnings/(Loss) per Share ^{Note}	RMB0.4033	RMB1.0239	RMB(0.1178)	RMB(0.1091)	RMB(0.1184)

Note: Figures after biological assets fair value adjustments.

Save as disclosed above, the Group had no other material income or expense for the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2021 and 30 June 2022.

The auditors of the Company for the years ended 31 December 2019 and 2020 were Deloitte Touche Tohmatsu. The auditors of the Company for the year ended 31 December 2021 were Baker Tilly Hong Kong Limited. No modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditors of the Group in respect of the Group's audited consolidated financial statements for the three years ended 31 December 2019, 2020 and 2021.

The Company is required to set out or refer to in this circular the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of financial position, the consolidated statements of cash flows, and any other primary statements for the three years ended 31 December 2019, 2020 and 2021 as shown in the (i) audited consolidated financial statements of the Group for the year ended 31 December 2019; (ii) audited consolidated financial statements of the Group for the year ended 31 December 2020; and (iii) audited consolidated financial statements of the Group for the year ended 31 December 2021, together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to an appreciation of the above financial information.

In addition, the Company is required to set out or refer to in this circular the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statements of financial position, the condensed consolidated statement of cash flows, and any other primary statements as shown in the unaudited financial results of the Group for the six months ended 30 June 2022, together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to an appreciation of the above financial information.

The financial information of the Group for the years ended 31 December 2019, 2020 and 2021, and the six months ended 30 June 2022 are disclosed in the annual reports of the Company for the years ended 31 December 2019, 2020 and 2021 and the interim report of the Company for the six months ended 30 June 2022, which have been published on the websites of the Company (<http://www.cofcojoycome.com/>) and the Stock Exchange (<http://www.hkexnews.hk>) as follows and are incorporated by reference into this circular:

- (i) from pages 77 to 168 of the annual report of the Company for the year ended 31 December 2019 published on 27 April 2020, which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042701172.pdf>
- (ii) from pages 89 to 169 of the annual report of the Company for the year ended 31 December 2020 published on 28 April 2021, which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042800563.pdf>
- (iii) from pages 81 to 157 of the annual report of the Company for the year ended 31 December 2021 published on 25 April 2022, which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042500957.pdf>
- (iv) from pages 28 to 69 of the interim report of the Company for the six months ended 30 June 2022 published on 15 September 2022, which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0915/2022091500458.pdf>

2. INDEBTEDNESS

As at the close of business on 30 November 2022, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the printing of this circular, the Group had (i) unsecured and unguaranteed bank borrowings of approximately RMB6,083,500,000; (ii) unsecured and unguaranteed loan from related parties of approximately RMB1,201,254,000; (iii) unsecured and unguaranteed other loan of approximately RMB150,900,000; and (iv) unsecured and unguaranteed lease liabilities of approximately RMB377,328,000.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing, mortgages or charges, contingent liabilities or guarantees.

3. CALCULATION OF THE REASSESSED NAV PER SHARE

Set out below is the details of the calculation of the unaudited consolidated net asset value of the Group attributable to the Shareholders as at 30 June 2022 as adjusted by the revaluation of properties as contained in the property valuation report set out in Appendix II of this circular (the “**Reassessed NAV**”) and the Reassessed NAV per Share:

	<i>RMB'000</i>
Unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2022	7,485,989
<i>Adjustments:</i>	
<i>Net revaluation surplus arising from the valuation of properties attributable to the Group as at the valuation date (Note 1)</i>	80,854
<i>Net tax as a result of the revaluation surplus on the property interests (Note 2)</i>	(20,214)
Reassessed NAV	7,546,629
	RMB1.93
	(equivalent to
Reassessed NAV per Share (Note 3)	approximately HK\$2.26)

Notes:

1. This represents the net revaluation surplus arising from the differences between the market values of the properties of the Group as valued by Savills Valuation and Professional Services (China) Limited and their corresponding book values as at the valuation date (being 30 November 2022). Such revaluation differences were calculated by comparing the market value and the net book value of the properties, assuming the Group would have disposed of the property interests to recognise the effects of the net revaluation surplus/deficit. However, since the Group intends to continue holding such property interests and in accordance with the Company’s accounting policies, it did not mean that the NAV as contained in the consolidated financial statements of the Group will be adjusted, nor did it mean that the Group will realise any immediate gain/loss in its consolidated financial statements from revaluation of the property interests.

As disclosed in Appendix II, Savills Valuation and Professional Services (China) Limited has ascribed no commercial value to certain properties which have not obtained any valid title documents and/or have been included in the list of resumption. As disclosed in Appendix II, such properties would not be freely transferrable by the Group. Accordingly, for the purpose of the calculation of the Reassessed NAV per Share, such properties have been excluded in the above calculation.

2. This represents the potential PRC corporate income tax attributable to the revaluation surplus on the property interests of the Group.
3. Based on the exchange rate of HK\$1:RMB0.85519 for illustration purposes.

4. MATERIAL CHANGE

Save as (i) set out in this circular as regards the Share Subscription and the Whitewash Waiver; and (ii) the items as disclosed below, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Company subsequent to 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date:

- (A) according to the Company's interim report for the six months ended 30 June 2022:
 - (i) the Group recorded gross loss of approximately RMB586.39 million for the six months ended 30 June 2022 as compared to gross profit of approximately RMB125.31 million recorded for the six months ended 30 June 2021, mainly attributable to a decrease in revenue of from approximately RMB7.5 billion to RMB5.3 billion, and a decrease in cost of sales from approximately RMB7.4 billion to RMB5.9 billion.
 - (ii) the Group recorded substantial increase in biological assets (classified under current assets) and loans from related company as at 30 June 2022 as compared to those as at 31 December 2021.
- (B) as set out in the Profit Warning Announcement, it is expected that the loss attributable to owners of the Company before biological assets fair value adjustments for the year ended 31 December 2022 of the Group will be approximately RMB0.25 billion to RMB0.45 billion (unaudited), compared with the profit attributable to owners of the Company of RMB2.38 billion in the same period of last year. As set out in the Profit Update Announcement, the Group is currently expected to record a profit attributable to owners of the Company after biological assets fair value adjustments of approximately RMB0.25 billion to RMB0.39 billion (unaudited) for the year ended 31 December 2022, compared with the loss attributable to owners of the Company after biological assets fair value adjustments of approximately RMB0.46 billion for the year ended 31 December 2021. Further details of the above are set out in the Profit Warning Announcement and the Profit Update Announcement as contained in Appendix III and Appendix IV to this circular, respectively.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As one of the leading meat enterprise in the PRC, the Company's business and operation cover the entire industry chain with feed production, hog breeding, farming, slaughtering and processing capability. The Company has been facing changes from economic, regulations and financial market, especially the challenges on rising cost of feed raw material and impact from the pandemic in recent years.

Taking into account the policies published by the PRC government in 2021 on the "Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035" (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) and the "14th Five-Year Plan on National Animal Husbandry and Veterinary Industry Development" (《“十四五”全國畜牧獸醫行業發展規劃》), which are highly supportive of the animal husbandry sector, the Company believes that it will continue to play a vital role in the relevant industry and is determined to provide high quality and safe products to customers.

During the current financial year and in the short term, the Company aims to achieve its growth potential and competitiveness amidst the ever-changing economic environment. In particular, the Company will continue to expand the scale of its hog industry chain in the current financial year. On the production side of the hog industry chain, the Company will continue to expand its hog production capacity through the expansion of hog breeding and farming facilities, which are expected to commence in the second to third quarter of 2023. On the distribution side of the hog industry chain, the Company will continue its effort throughout the recent years in promoting differentiation and branding of its fresh pork products, so as to expand the scale of the brand and further enhance the market influence of the Company. The Share Subscription will also allow the Company to further improve its capital structure and enhance the Company's overall financial position and liquidity. These will together allow the Company to continue to optimize and realise the production and distribution synergies within the integrated hog industry chain of the Group and to improve both its scale and industry ranking in a sustainable manner, which will in turn facilitate the Company to seize the opportunities created by the aforementioned PRC policies and to continue to deliver high quality products to the customers.

Looking forward, the Company will also continue to put efforts into (a) steadily expanding the production capacity of its core business, further enhancing the level of integration within the Company; (b) preventing and controlling African swine fever, further improving the level of refined management, narrowing the gap of the efficiency between internal farms, and consolidating our core competitive advantages; (c) optimizing the hedging strategies in a dynamic manner, and strictly controlling the risk of market volatility, to achieve the organic combination of futures and in-stocks; (d) continuing to promote the differentiation and branding of fresh pork products, focusing on the promotion of linseed-fed pork products and the development of new products to further enhance the scale of the brand and expand its influence; (e) strengthening the risk control of import business, strengthening the integration of trading and processing, deepening the terminal channels, enhancing customer stickiness, and adding value to the business.

The following is the text of a letter, summary of values and valuation report prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services (China) Limited, an independent valuer, in connection with their opinion of values of the properties held by the Group as at 30 November 2022.



The Directors
COFCO Joycome Foods Limited
Tricor Services (Cayman Islands) Limited
Second Floor, Century Yard, Cricket Square
P.O. Box 902, Grand Cayman, KY1-1103
Cayman Islands

Savills Valuation and
Professional Services (China) Limited
Room 1208, 12/F
1111 King's Road
Taikoo Shing, Hong Kong

17 February 2023

T: (852) 2801 6100

F: (852) 2530 0756

EA Licence: C-023750

savills.com

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 COFCO Joycome Foods Limited (the "Company") and/or 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 values of the properties as at 30 November 2022 (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 or 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 2020 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 our Mr. Anthony C.K. Lau. Mr. Lau is a Director of Savills Valuation and Professional Services (China) Limited (“SVPSCL”) and a Member of the HKIS (General Practice Division) with over 29 years’ experience in valuation of properties in 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 services in respect of the properties, SVPSCL had not been involved in valuation of the properties in the past 12 months.

We are independent of the Company and its subsidiaries. We are not aware of any instances which would give rise to potential conflict of interest from SVPSCL or Mr. Lau in the subject exercise. We confirm SVPSCL and Mr. Lau are in the position to provide objective and unbiased valuation for the properties.

VALUATION METHODOLOGY

In valuing the properties in Group I (except Property No. 12), which are held by the Group for owner occupation 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”) Method to value the properties. DRC Method 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 Method 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 Property No. 12, which is held by the Group for owner occupation in the PRC, we have valued them by the Direct Comparison Method by making reference to sales of comparable properties assuming sales on vacant possession basis.

In valuing the properties in Group II, 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 method with regard to its prevailing cost level and status of construction as at the valuation date. We have also relied on the legal opinion issued by the Group's PRC legal adviser (as defined below) to identify whether each of the construction work has already been granted for the consents, approvals and licences from the relevant government authorities.

We have ascribed no commercial value to the properties which have not obtained any valid title documents.

TITLE INVESTIGATION

In respect of the properties in the PRC, we have been provided with copies 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 on the information and advice given by the Group and the legal opinion issued by Deheng Law Offices (北京德恒律師事務所) (the "Group's PRC legal adviser") on 15 February 2023 regarding the titles to the properties.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars 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 relied on the legal opinion issued by the Group's PRC legal adviser and prepared our valuation on the basis 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 has already been fully paid. Therefore, unless otherwise stated, we have also prepared our valuation on the basis 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.

INSPECTION

Due to the Novel Coronavirus (COVID-19) outbreak in the PRC, inspections of the properties have been conducted by Mr. Songbin Hu, Mr. Fred Jiang, Ms. Bekki Li, Mr. Daniel Chen, Mr. Zion Peng, Ms. Lynn Xu, Ms. Karen Li, Ms. Dina Chen, Ms. Janet Shi and Ms. Charlotte Tian via real time video communication. 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. We have assumed that the properties were in good condition as at the valuation date.

Relevant experiences for each of the valuers who carried out the inspections are as follows:

Mr. Songbin Hu	Over 22 years' experience in valuation of properties in the PRC
Mr. Fred Jiang	Over 18 years' experience in valuation of properties in the PRC
Ms. Bekki Li	Over 17 years' experience in valuation of properties in the PRC
Mr. Daniel Chen	Over 10 years' experience in valuation of properties in the PRC
Mr. Zion Peng	Over 10 years' experience in valuation of properties in the PRC
Ms. Lynn Xu	Over 7 years' experience in valuation of properties in the PRC
Ms. Karen Li	Over 7 years' experience in valuation of properties in the PRC
Ms. Dina Chen	Over 7 years' experience in valuation of properties in the PRC
Ms. Janet Shi	Over 4 years' experience in valuation of properties in the PRC
Ms. Charlotte Tian	Over 2 years' experience in valuation of properties in the PRC

POTENTIAL TAX LIABILITIES

For the purpose of compliance with the Rule 11.3 of the Takeovers Code and as advised by the Group, in respect of the properties in the PRC, 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 at 10% to 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 25%.

In respect of the 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.

NOVEL CORONAVIRUS (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a ‘Global Pandemic’ on the March 11, 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. It is expected that property values will be very sensitive to the development of the pandemic and its impact on the economy. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property will be longer than usual time.

Our valuations of the properties are valid only as at the valuation date (i.e. 30 November 2022). However, there will be less certainty as to how long a valuation may sustain and property price may fluctuate rapidly and materially over a short period of time. Any changes in market conditions and impacts on property values subsequent to the valuation date cannot be taken into account. If any party intends to make reference to our valuations when entering into any transaction, he must beware of the high market volatility during this period and that property values may or may not have changed since the valuation date. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuations contained within this report under frequent review.

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 (China) Limited

Anthony C.K. Lau

MRICS MHKIS RPS(GP)

Director

Note: Mr. Anthony C.K. Lau is a professional surveyor who has over 29 years’ experience in valuation of properties in the PRC.

Encl.

SUMMARY OF VALUE

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
1.	Various buildings, structures and a land parcel located at No. 53 Tanxinpei Road, Jiangxia District, Wuhan, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
2.	Various buildings, structures and land parcels located in Xinsheng Village and Shengfeng Village, Shanpo Town, Jiangxia District, Wuhan, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
3.	Various buildings, structures and land parcels located in Hulingang Village and Xiaorenwan Village, Lijiaji Town, Huangpi District, Wuhan, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest	Market value
		existing state as	existing state as	existing state as		attributable
		at 30 November	at 30 November	at 30 November	to the Group	the Group as
		2022	2022	2022		at 30 November
		(RMB)	(RMB)	(RMB)		2022
		Group I	Group II			(RMB)
4.	Various buildings, structures and land parcels located in Fenghuangzhai Village, Zhuwufeng Village, Chentianqi Village and Zhangcheng Village, Zhucheng Street, Xinzhou District, Wuhan, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
5.	Various buildings, structures and land parcels located in Dalu Village, Yanghu Village and Huaruo Village, Mingshan Town, Daye, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
6.	Various buildings, structures and land parcels located in Taogang Village and Jiangrong Village, Taogang Town, Yangxin County, Huangshi, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest	Market value
		existing state as	existing state as	existing state as		attributable
		at 30 November	at 30 November	at 30 November	to the Group	the Group as
		2022	2022	2022		at 30 November
		(RMB)	(RMB)	(RMB)		2022
		Group I	Group II			(RMB)
7.	Various buildings, structures and land parcels located in Huatan Village, Yangxin County, Huangshi, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
8.	Various buildings, structures and land parcels located in Jingtoushan Administrative Zone (Farm), Yangxin County, Huangshi, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
9.	Various buildings, structures and land parcels located in Hubichong Village, Jinshan Village and Shuizhai Village, Chenxiang Town and Luojiadang Village, Changling Town, Guangshui, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
10.	Various buildings, structures and land parcels located in Yanglou Village, Sheshan Village and Lianxing Village, Luodian Town, Guangshui, Hubei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
11.	Various buildings, structures and a land parcel located at No. 1 Tonghai Avenue, Dongtai Coastal Economic Zone, Dongtai, Jiangsu Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
12.	Units 201 to 204 of Weiye Tianyuan Cheng (偉業天源城), Jiangliu Road, Jianggang Town, Dongtai Coastal Economic Zone, Dongtai, Jiangsu Province, PRC	3,800,000	–	3,800,000	100%	3,800,000
13.	Various buildings, structures and a land parcel located at No. 38 Tonghai Avenue, Dongtai Coastal Economic Zone, Dongtai, Jiangsu Province, PRC	209,800,000	–	209,800,000	100%	209,800,000

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
14.	Various buildings, structures and land parcels located in Jindongtai Farm, Dongtai, Jiangsu Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
15.	Various buildings, structures and a land parcel located in Xinchuan Farm, Dongtai, Jiangsu Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
16.	Various buildings, structures and a land parcel located in Liangnan Reclamation Area, Dongtai, Jiangsu Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
17.	Various buildings, structures and a land parcel located in Breeding farm, Dongtai, Jiangsu Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
18.	Various buildings, structures and a land parcel located in Huanghai Original Seed Farm, Jianggang Town, Dongtai, Jiangsu Province, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
19.	Various buildings, structures and a land parcel located in Kangzhuang Village, Dayou Town, Xiangshui County, Yancheng, Jiangsu Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
20.	Various buildings, structures and a land parcel located at No. 1 Fengfu Road, Wujin Village, Anfeng Town, Dongtai, Jiangsu Province, PRC	47,200,000	–	47,200,000	100%	47,200,000
21.	Various buildings, structures and land parcels located in Fuxing Town, Huai'an District, Huai'an, Jiangsu Province, PRC	No commercial value	–	No commercial value	51%	No commercial value
22.	Various buildings, structures and a land parcel located in Dongnan Renfu Village, Dakoutun Town, Baodi District, Tianjin, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
23.	Various buildings, structures and a land parcel located in Xiaowangxin Zhuang Village, Xinkaikou Town, Baodi District, Tianjin, PRC	No commercial value	–	No commercial value	100%	No commercial value
24.	Various buildings, structures and land parcels located in Shijiazhuang Village, Dangyu Town, Zunhua, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
25.	Various buildings, structures and land parcels located in Datanghe Village and Bahuzhuang Village, Zunhua, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
26.	Various buildings, structures and a land parcel located in Xindianzi Village, Xindianzi Town, Zunhua, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
27.	Various buildings, structures and a land parcel located at No. 1 West Ring Road, Longkou Town, Heshan City Guangdong Province, PRC	71,200,000	–	71,200,000	100%	71,200,000
28.	Various buildings, structures and land parcels located in Sanshihao Town, Daxing Town and Santuan Town, Changling County, Songyuan, Jilin Province, PRC	No commercial value	No commercial value	No commercial value	100%	No commercial value
29.	Various buildings, structures and a land parcel located in Taipingchuan Town Industrial Zone, Changling County, Songyuan, Jilin Province, PRC	47,600,000	–	47,600,000	100%	47,600,000
30.	Various buildings and a land parcel located in Daerhao Village, Changling Town, Changling County, Songyuan, Jilin Province, PRC	36,200,000	–	36,200,000	100%	36,200,000

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
31.	Various buildings, structures and land parcels located in Huancheng Industrial Zone, Changling County, Songyuan, Jilin Province, PRC	240,300,000	–	240,300,000	100%	240,300,000
32.	Various buildings, structures and land parcels located at Yulong Industrial Park, Wudan Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	69,000,000	–	69,000,000	100%	69,000,000
33.	Various buildings, structures and a land parcel located in Taijiyingzi Village, Wudan Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
34.	Various buildings, structures and a land parcel located in Haijinshan Farm, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	No commercial value	–	No commercial value	100%	No commercial value
35.	Various buildings, structures and a land parcel located in Zhuangtouyingzi Village, Wutong Flower Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	No commercial value	–	No commercial value	100%	No commercial value
36.	Various buildings, structures and a land parcel located in Yuanbaowa Village, Wutong Flower Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest	Market value
		existing state as	existing state as	existing state as		attributable
		at 30 November	at 30 November	at 30 November	to the Group	the Group as
		2022	2022	2022		at 30 November
		(RMB)	(RMB)	(RMB)		2022
		Group I	Group II			(RMB)
37.	Various buildings, structures and a land parcel located in Baiyinhua Sheep Farm No. 2 Branch, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	No commercial value	–	No commercial value	100%	No commercial value
38.	A building and a land parcel located in Toupaizi Village, Wudan Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	No commercial value	–	No commercial value	100%	No commercial value
39.	Various buildings, structures and a land parcel located in South Area of Yulong Industrial Park, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	120,800,000	–	120,800,000	100%	120,800,000
40.	Various buildings, structures and land parcels located at No. 10 Yanbei Road, Economic Development Zone, Zhangbei County, Zhangjiakou, Hebei Province, PRC	29,300,000	6,800,000	36,100,000	100%	36,100,000

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
41.	Various buildings, structures and a land parcel located in Xuqingfang Village, Gonghui Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
42.	Various buildings, structures and a land parcel located in Shizigou Village, Erquanjing Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
43.	Various buildings, structures and a land parcel located in Denggannao Village, Erquanjing Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
44.	Various buildings, structures and a land parcel located in Heituwan Village, Liangmianjing Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest	Market value
		existing state as	existing state as	existing state as		attributable
		at 30 November	at 30 November	at 30 November	to the Group	the Group as
		2022	2022	2022		at 30 November
		(RMB)	(RMB)	(RMB)		2022
		Group I	Group II			(RMB)
45.	Various buildings, structures and a land parcel located in Houshuiquan Village, Liangmianjing Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
46.	Various buildings, structures and a land parcel located in Fugong Village, Gonghui Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
47.	Various buildings, structures and land parcels located in Zhaolong Village, Huanglou Village, Qiaozhuang Village and Green Manures Breeding Farm, Peiqiao Town, Yongcheng, Henan Province, PRC	No commercial value	–	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
48.	Various buildings, structures and land parcels located in Liuzhuang Village, Wanlou Village, Qiao Zhang, Peiwashen Group, Shuan Village, Yandian Village and Sugou Village, Peiqiao Town, Yongcheng, Henan Province, PRC	No commercial value	No commercial value	No commercial value	100%	No commercial value
49.	Various buildings, structures and a land parcel located in Tianlou Village, Peiqiao Town, Yongchen, Henan Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
50.	Various buildings, structures and land parcels located in Chen Zhuang Village, Lizhai Town, Yongcheng, Henan Province, PRC	No commercial value	–	No commercial value	100%	No commercial value
51.	Various buildings, structures and land parcels located in Dadinglou Village, Huangkou Town, Yongcheng, Henan Province, PRC	No commercial value	No commercial value	No commercial value	100%	No commercial value

No.	Property	Market value in	Market value in	Market value in	Interest attributable to the Group	Market value
		existing state as at 30 November 2022 (RMB) Group I	existing state as at 30 November 2022 (RMB) Group II	existing state as at 30 November 2022 (RMB)		attributable to the Group as at 30 November 2022 (RMB)
52.	Various buildings, structures and land parcels located at No. 15 Nanhu Wu Road, Huangzhou District, Huanggang, Hubei Province, PRC	235,800,000	–	235,800,000	100%	235,800,000
Total:		<u>1,111,000,000</u>	<u>6,800,000</u>	<u>1,117,800,000</u>		<u>1,117,800,000</u>

* The value as stated in the summary of values represents the market value of the properties. In the course of our valuation, we have ascribed no commercial value to the buildings, structures and construction works in progress of some of the properties without obtaining any valid title documents or erected on leased land parcels. For your reference purpose, the total depreciated replacement cost of those buildings, structures and construction works in progress of such properties (excluding the land (except Property No. 11)) was RMB6,157,240,000 as at the valuation date (equivalent to RMB6,069,040,000 attributable to the Group). Please refer to the attached valuation report for details.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
1.	Various buildings, structures and a land parcel located at No. 53 Tanxinpei Road, Jiangxia District, Wuhan, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 99,889.25 sq.m.</p> <p>The property is situated on the southern side of Tanxinpei Road in Jiangxia District of Wuhan. Developments in the vicinity are dominated by various residential buildings and public facilities. It takes about a 50-minute drive from the property to the center of Wuhan.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 33,630.74 sq.m. The structures mainly comprise roads, pipework and sewage treatment facilities. They were completed in between 2004 and 2022.</p> <p>The land use rights of the property have been granted for a term expiring on 20 December 2057 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the State-owned Land Use Certificate – Xia Guo Yong (2010) Di No. 505, the land use rights of the property with a site area of 99,889.25 sq.m. have been granted to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for a term expiring on 20 December 2057 for industrial use.
2. In the course of our valuation, we have ascribed no commercial value to the property as the property will be resumed and before that the property cannot be transferred in the market.
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. according to the statutory requirements, the land parcel of the property will be resumed and before that COFCO Wuhan Meat Product is only entitled to occupy or use the land parcel but cannot have any new construction or alternation for the existing buildings. COFCO Wuhan Meat Product also cannot divide, transfer, lease out, mortgage or by any other means dispose of the land use rights. According to the relevant requirements and compensation scheme, COFCO Wuhan Meat Product can obtain appropriate compensation for the aforesaid resumption; and
 - ii. the buildings of the property will be resumed and COFCO Wuhan Meat Product can obtain appropriate compensation for the aforesaid resumption in accordance with the relevant requirements and compensation scheme.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
2.	Various buildings, structures and land parcels located in Xincheng Village and Shengfeng Village, Shanpo Town, Jiangxia District, Wuhan, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on three parcels of land with a total site area of approximately 323,620.28 sq.m.</p> <p>The property is situated on the southern side of National Highway No. 8 in Shanpo Town of Jiangxia District in Wuhan. Developments in the vicinity are dominated by various agricultural villages. It takes about an 80-minute drive from the property to the center of Wuhan.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 28,390.54 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2011 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggery use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to three Tenancy Agreements, the land parcels of the property with a total site area of 323,620.28 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 30 April 2058.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 28,390.54 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB53,500,000 as at the valuation date (equivalent to RMB53,500,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggery and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
3.	Various buildings, structures and land parcels located in Hulingang Village and Xiaorenwan Village, Lijiaji Town, Huangpi District, Wuhan, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on three parcels of land with a total site area of approximately 233,334.50 sq.m.</p> <p>The property is situated in Hulingang Village and Xiaorenwan Village of Huangpi District in Wuhan. Developments in the vicinity are dominated by various agricultural villages. It takes about an 80-minute drive from the property to the center of Wuhan.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 26,600.99 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2011 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to three Tenancy Agreements, the land parcels of the property with a total site area of 233,334.50 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 29 April 2058.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 26,600.99 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB41,400,000 as at the valuation date (equivalent to RMB41,400,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
4.	Various buildings, structures and land parcels located in Fenghuangzhai Village, Zhuwufeng Village, Chentianqi Village and Zhangcheng Village, Zhucheng Street, Xinzhou District, Wuhan, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on five parcels of land with a total site area of approximately 437,522.19 sq.m.</p> <p>The property is situated in Fenghuangzhai Village, Zhuwufeng Village, Chentianqi Village and Zhangcheng Village of Xinzhou District in Wuhan. Developments in the vicinity are dominated by various agricultural villages. It takes about an 80-minute drive from the property to the center of Wuhan.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 22,209.36 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2011 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to five Tenancy Agreements, the land parcels of the property with a total site area of 437,522.19 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 4 June 2058.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 22,209.36 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB37,000,000 as at the valuation date (equivalent to RMB37,000,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
5.	Various buildings, structures and land parcels located in Dalu Village, Yanghu Village and Huaruo Village, Mingshan Town, Daye, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on five parcels of land with a total site area of approximately 521,315.94 sq.m.</p> <p>The property is situated in Dalu Village, Yanghu Village and Huaruo Village of Mingxiang Town in Daye. Developments in the vicinity are dominated by various agricultural villages. It takes about a 40-minute drive from the property to the center of Daye.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 44,616.87 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2011 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to five Tenancy Agreements, the land parcels of the property with a total site area of 521,315.94 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 4 June 2058.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 44,616.87 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB73,900,000 as at the valuation date (equivalent to RMB73,900,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
6.	Various buildings, structures and land parcels located in Taogang Village and Jiangrong Village, Taogang Town, Yangxin County, Huangshi, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on five parcels of land with a total site area of approximately 522,669.28 sq.m.</p> <p>The property is situated in Taogang Village and Jiangrong Village of Taogang Town in Huangshi. Developments in the vicinity are dominated by various agricultural villages. It takes about a 60-minute drive from the property to the center of Huangshi.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 42,148.79 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2012 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to five Tenancy Agreements, the land parcels of the property with a total site area of 522,669.28 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 10 November 2058.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 42,148.79 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB72,100,000 as at the valuation date (equivalent to RMB72,100,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
7.	Various buildings, structures and land parcels located in Huatan Village, Yangxin County, Huangshi, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a total site area of approximately 224,614.46 sq.m.</p> <p>The property is situated in Huatan Village of Yangxin County in Huangshi. Developments in the vicinity are dominated by various agricultural villages. It takes about a 90-minute drive from the property to the center of Huangshi.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 27,208.00 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2013 and 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggery use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to two Tenancy Agreements, the land parcels of the property with a total site area of 224,614.46 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly owned subsidiary of the Company, for various terms with the latest expiring on 1 February 2060.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 27,208.00 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB52,400,000 as at the valuation date (equivalent to RMB52,400,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggery and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
8.	Various buildings, structures and land parcels located in Jingtoushan Administrative Zone (Farm), Yangxin County, Huangshi, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on five parcels of land with a total site area of approximately 217,047.75 sq.m.</p> <p>The property is situated in Jingtoushan Administrative Zone (Farm) of Huangshi. Developments in the vicinity are dominated by various agricultural villages. It takes about a 90-minute drive from the property to the center of Huangshi.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 38,908.00 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2012 and 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to five Tenancy Agreements, the land parcels of the property with a total site area of 217,047.75 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 1 February 2060.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 38,908.00 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB72,200,000 as at the valuation date (equivalent to RMB72,200,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
9.	Various buildings, structures and land parcels located in Hubichong Village, Jinshan Village and Shuizhai Village, Chenxiang Town and Luojiadang Village, Changling Town, Guangshui, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on four parcels of land with a total site area of approximately 1,478,787.39 sq.m.</p> <p>The property is situated in Hubichong Village, Jinshan Village, Shuizhai Village and Luojiadang Village of Guangshui. Developments in the vicinity are dominated by various agricultural villages. It takes about a 30-minute drive from the property to the center of Guangshui.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 127,996.17 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2013 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to four Tenancy Agreements, the land parcels of the property with a total site area of 1,478,787.39 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 31 December 2028.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 127,996.17 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB245,100,000 as at the valuation date (equivalent to RMB245,100,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
10.	Various buildings, structures and land parcels located in Yanglou Village, Sheshan Village and Lianxing Village, Luodian Town, Guangshui, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on three parcels of land with a total site area of approximately 533,836.00 sq.m.</p> <p>The property is situated in Yanglou Village, Sheshan Village and Lianxing Village of Luodian Town in Guangshui. Developments in the vicinity are dominated by various agricultural villages. It takes about a 30-minute drive from the property to the center of Guangshui.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 66,256.10 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2019 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggery use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to three Tenancy Agreements, the land parcels of the property with a total site area of 533,836.00 sq.m. have been leased to COFCO Wuhan Meat Product Co., Ltd. (武漢中糧肉食品有限公司) (“COFCO Wuhan Meat Product”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 31 December 2028.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 66,256.10 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB117,400,000 as at the valuation date (equivalent to RMB117,400,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggery and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
11.	Various buildings, structures and a land parcel located at No. 1 Tonghai Avenue, Dongtai Coastal Economic Zone, Dongtai, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 26,932.66 sq.m.</p> <p>The property is situated on the western side of Xincheng Road in Dongtai Coastal Economic Zone of Dongtai. Developments in the vicinity are dominated by various industrial buildings. It takes about a 60-minute drive from the property to the center of Dongtai.</p> <p>The completed buildings comprise dormitories and ancillary buildings with a total gross floor area of approximately 19,982.83 sq.m. The structures mainly comprise roads, pipework and fire safety facilities. They were completed in between 2012 and 2021.</p> <p>The land use rights of the property have been granted for a term expiring on 18 October 2081 for residential use.</p>	As at the valuation date, the property was occupied by the Group for dormitory use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Real Estate Title Certificate – Su (2017) Dong Tai Shi Bu Dong Chan Quan Di No. 1300171, the building ownership rights of the property with a gross floor area of approximately 19,982.83 together with its corresponding land use rights with a site area of 26,932.66 sq.m. have been granted to COFCO Joycome (Jiangsu) Limited (中糧家佳康(江蘇)有限公司) (“COFCO Jiangsu”), a wholly-owned subsidiary of the Company, for a term due to expire on 18 October 2081 for residential use.
2. In the course of our valuation, we have assigned no commercial value to the property as the transferability of the property is restricted. For your reference purpose, the depreciated replacement cost of the property was RMB58,600,000 as at the valuation date (equivalent to RMB58,600,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. COFCO Jiangsu is not entitled to sell the property or apply for the title certificate separately.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
12.	Units 201 to 204 of Weiye Tianyuan Cheng (偉業天源城), Jiangliu Road, Jianggang Town, Dongtai Coastal Economic Zone, Dongtai, Jiangsu Province, PRC	<p>Weiye Tianyuan Cheng (the “Development”) is a residential/commercial development completed in 2014.</p> <p>The Development is situated on the southern side of Tonghai Avenue in Dongtai Coastal Economic Zone of Dongtai. Developments in the vicinity are dominated by industrial buildings. It takes about a 70-minute drive from the property to the center of Dongtai.</p> <p>The property comprises four commercial units of the Development with a total gross floor area of approximately 465.02 sq.m.</p> <p>The land use rights of the property have been granted for commercial use.</p>	As at the valuation date, the property was occupied by the Group for commercial use.	<p>RMB3,800,000 (Renminbi Three Million and Eight Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB3,800,000 (Renminbi Three Million and Eight Hundred Thousand))</p>

Notes:

1. Pursuant to two Real Estate Title Certificates – Dongtai Fang Quan Zheng Jing Gang Zhen Zi Di Nos. S0078619 and S0078620, the building ownership rights of the property with a total gross floor area of 465.02 sq.m. have been granted to COFCO Joycome (Jiangsu) Limited (中糧家佳康(江蘇)有限公司) (“COFCO Jiangsu”), a wholly-owned subsidiary of the Company, for commercial use.
2. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. COFCO Jiangsu legally owns the building ownership rights of the buildings as stated in the Real Estate Title Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings.
3. In undertaking our valuation of the property, we have made reference to various market comparables of similar developments which have characteristics comparable to the property. The unit rates of these comparables are in a range from RMB7,500 to 9,700 per sq.m. Due adjustments to the unit rates of these comparables have been made to reflect factors including but not limited to time, location and size in arriving at the key assumptions.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
13.	Various buildings, structures and a land parcel located at No. 38 Tonghai Avenue, Dongtai Coastal Economic Zone, Dongtai, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 261,233.00 sq.m.</p> <p>The property is situated on the western side of Linhai Road in Dongtai Coastal Economic Zone of Dongtai. Developments in the vicinity are dominated by various industrial buildings. It takes about a 70-minute drive from the property to the center of Dongtai.</p> <p>The completed buildings comprise various workshops and ancillary buildings with a total gross floor area of approximately 58,939.94 sq.m. The structures mainly comprise roads and water pump rooms. They were completed in between 2012 and 2021.</p> <p>The land use rights of the property have been granted for a term expiring on 10 June 2061 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB209,800,000 (Renminbi Two Hundred Nine Million and Eight Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB209,800,000 (Renminbi Two Hundred Nine Million and Eight Hundred Thousand))</p>

Notes:

1. Pursuant to the Real Estate Title Certificate – Su (2021) Dong Tai Shi Bu Dong Chan Quan Di No. 1300614, the building ownership rights of the property with a gross floor area of approximately 58,939.94 sq.m. together with its corresponding land use rights with a site area of 261,233.00 sq.m. have been granted to COFCO Joycome (Jiangsu) Limited (中糧家佳康(江蘇)有限公司) (“COFCO Jiangsu”), a wholly-owned subsidiary of the Company for a term due to expire on 10 June 2061 for industrial use.
2. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. COFCO Jiangsu legally owns the building ownership rights of the buildings as stated in the Real Estate Title Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings.
3. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
14.	Various buildings, structures and land parcels located in Jindongtai Farm, Dongtai, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on three parcels of land with a total site area of approximately 1,821,662.44 sq.m.</p> <p>The property is situated on the eastern side of Linhai Expressway G228 in Dongtai City. Developments in the vicinity are dominated by various industrial buildings. It takes about a 60-minute drive from the property to the center of Dongtai.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 209,021.95 sq.m. The structures mainly comprise roads, sheds, pipework, pump room, sewage facilities and biogas facilities. They were completed in between 2011 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to three Tenancy Agreements, the land parcels of the property with a total site area of approximately 1,821,662.44 sq.m. have been leased to COFCO Joycome (Jiangsu) Limited (中糧家佳康(江蘇)有限公司) (“COFCO Jiangsu”), a wholly owned subsidiary of the Company, for various terms with the latest expiring on 26 July 2059.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 209,021.95 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB279,500,000 as at the valuation date (equivalent to RMB279,500,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
15.	Various buildings, structures and a land parcel located in Xinchuan Farm, Dongtai, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 200,000.01 sq.m.</p> <p>The property is situated on the eastern side of Linhai Expressway G228 in Dongtai City. Developments in the vicinity are dominated by various industrial buildings. It takes about an 80-minute drive from the property to the center of Dongtai.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 26,101.58 sq.m. The structures mainly comprise roads, sheds, pipework, pump room, sewage facilities and biogas facilities. They were completed in between 2011 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 200,000.01 sq.m. have been leased to COFCO Joycome (Jiangsu) Limited (中糧家佳康(江蘇)有限公司) (“COFCO Jiangsu”), a wholly owned subsidiary of the Company, for a term expiring on 31 July 2060.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 26,101.58 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB49,400,000 as at the valuation date (equivalent to RMB49,400,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
16.	Various buildings, structures and a land parcel located in Liangnan Reclamation Area, Dongtai, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 755,003.78 sq.m.</p> <p>The property is situated on the eastern side of Linhai Expressway G228 in Dongtai City. Developments in the vicinity are dominated by various industrial buildings. It takes about an 80-minute drive from the property to the center of Dongtai.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 131,554.36 sq.m. The structures mainly comprise roads, sheds, pipework, pump room, sewage facilities and biogas facilities. They were completed in between 2011 and 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 755,003.78 sq.m. have been leased to COFCO Joycome (Jiangsu) Limited (中糧家佳康(江蘇)有限公司) (“COFCO Jiangsu”), a wholly-owned subsidiary of the Company, for a term expiring on 13 June 2061.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 131,554.36 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB207,300,000 as at the valuation date (equivalent to RMB207,300,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
17.	Various buildings, structures and a land parcel located in Breeding farm, Dongtai, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 5,333.36 sq.m.</p> <p>The property is situated on the eastern side of Linhai Expressway G228 in Dongtai City. Developments in the vicinity are dominated by various industrial buildings. It takes about an 80-minute drive from the property to the center of Dongtai.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 1,984.48 sq.m. The structures mainly comprise roads, sheds, pipework, pump room and biogas facilities. They were completed in between 2012 and 2018.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 5,333.36 sq.m. have been leased to COFCO Joycome (Jiangsu) Limited (中糧家佳康(江蘇)有限公司) (“COFCO Jiangsu”), a wholly-owned subsidiary of the Company, for a term expiring on 30 June 2061.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 1,984.48 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB3,900,000 as at the valuation date (equivalent to RMB3,900,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
18.	Various buildings, structures and a land parcel located in Huanghai Original Seed Farm, Jianggang Town, Dongtai, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 261,601.31 sq.m.</p> <p>The property is situated on the northern side of Linhai Expressway (G228) in Dongtai City. Developments in the vicinity are dominated by various industrial buildings. It takes about a 90-minute drive from the property to the center of Dongtai.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 59,611.62 sq.m. The structures mainly comprise roads, sheds, pipework, pump room and biogas facilities. They were completed in between 2014 and 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 261,601.31 sq.m. have been leased to COFCO Joycome (Jiangsu) Limited (中糧家佳康(江蘇)有限公司) (“COFCO Jiangsu”), a wholly owned subsidiary of the Company, for a term expiring on 30 March 2043.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 59,611.62 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB118,800,000 as at the valuation date (equivalent to RMB118,800,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
19.	Various buildings, structures and a land parcel located in Kangzhuang Village, Dayou Town, Xiangshui County, Yancheng, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 706,170.20 sq.m.</p> <p>The property is situated on the northern side of Binhuai Expressway S18 in Kangzhuang Village of Dayou Town in Yancheng. Developments in the vicinity are dominated by various industrial buildings. It takes about a 90-minute drive from the property to the center of Yancheng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 109,798.30 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2015 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 706,170.20 sq.m. have been leased to COFCO Joycome (Yancheng) Co., Ltd. (中糧家佳康(鹽城)有限公司) (“COFCO Yancheng”), a wholly-owned subsidiary of the Company, for a term expiring on 15 October 2028.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 109,798.30 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB150,400,000 as at the valuation date (equivalent to RMB150,400,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
20.	Various buildings, structures and a land parcel located at No. 1 Fengfu Road, Wujin Village, Anfeng Town, Dongtai, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 36,307.67 sq.m.</p> <p>The property is situated on the northern side of Fengfu Road in Anfeng Town of Dongtai City. It takes about a 30-minute drive from the property to the center of Dongtai.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 17,478.54 sq.m. The structures mainly comprise roads, pipework and sewage facilities. They were completed in between 2018 and 2021.</p> <p>The land use rights of the property have been granted for a term expiring on 14 June 2067 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB47,200,000 (Renminbi Forty Seven Million and Two Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB47,200,000 (Renminbi Forty Seven Million and Two Hundred Thousand))</p> <p>(refer to Note 3)</p>

Notes:

- Pursuant to the State-owned Land Use Certificate – Su (2022) Dong Tai Shi Bu Dong Chan Quan No. 0501639, the land use rights of a parcel of land with a site area of 36,307.67 sq.m. have been granted to COFCO Joycome (Dongtai) Co., Ltd. (中糧家佳康(東台)有限公司) (“COFCO Dongtai”), a wholly-owned subsidiary of the Company, for a term expiring on 14 June 2067 for industrial use.
- Pursuant to the Building Ownership Certificate – Su (2022) Dong Tai Shi Bu Dong Chan Quan No. 0501639, the building ownership rights of various buildings of the Property with a gross floor area of 16,633.37 sq.m. have been granted to COFCO Dongtai.

As advised by the Group, the buildings as stated in the Building Ownership Certificate mentioned above only comprise portion of the property and the remaining portions of the buildings with a total gross floor area of approximately 845.17 sq.m. have not obtained the Building Ownership Certificate.
- We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 4) that no application of title certificate is required to be made in respect of the buildings with a total gross floor area of approximately 845.17 sq.m. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings. For your reference purpose, the depreciated replacement cost of those buildings was approximately RMB940,000 as at the valuation date (equivalent to RMB940,000, 100% interests attributable to the Group).
- We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - COFCO Dongtai legally owns the land use rights of the property and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid land use rights within the land use terms as stated in the aforesaid State-owned Land Use Certificate;
 - COFCO Dongtai legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificate and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings; and
 - no Building Ownership Certificates have been obtained. However, as the buildings as stated in Note 3 are temporary and ancillary buildings, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
- For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
21.	Various buildings, structures and land parcels located in Fuxing Town, Huai'an District, Huai'an, Jiangsu Province, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a total site area of approximately 929,604.65 sq.m.</p> <p>The property is situated in Fuxing Town of Huai'an District in Huai'an. Developments in the vicinity are dominated by various industrial buildings. It takes about a 50-minute drive from the property to the center of Huai'an.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 79,089.01 sq.m. The structures mainly comprise roads and biogas facilities. They were completed in between 2017 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to two Tenancy Agreements, the land parcels of the property with a total site area of approximately 929,604.65 sq.m. have been leased to Jiangsu CM/Merit Agriculture Development Co., Ltd. (江蘇中穩農業發展有限公司) ("Jiangsu CM/Merit"), a 51% owned subsidiary of the Company, for various terms with the latest expiring on 31 May 2046.
2. We note the opinion issued by the Group's PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 79,089.01 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB180,000,000 as at the valuation date (equivalent to RMB91,800,000, 51% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
22.	Various buildings, structures and a land parcel located in Dongnan Renfu Village, Dakoutun Town, Baodi District, Tianjin, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 278,748.06 sq.m.</p> <p>The property is situated on the southern side of Quqing Road and western side of Daxin Road in Baodi District of Tianjin. Developments in the vicinity are dominated by various industrial buildings. It takes about 90-minute drive from the property to the center of Tianjin.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 53,623.74 sq.m. The structures mainly comprise roads, pipework and biogas facilities. They were completed between 2010 and 2020.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement and its Supplemental Agreement, the land parcel of the property with a site area of 278,748.06 sq.m. has been leased to COFCO Joycome Agro-Pastoral (Tianjin) Co., Ltd. (中糧家佳康農牧(天津)有限公司) (“COFCO Tianjin”), a wholly-owned subsidiary of the Company, for a term expiring on 19 June 2027.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 53,623.74 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was approximately RMB48,600,000 as at the valuation date (equivalent to RMB48,600,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
23.	Various buildings, structures and a land parcel located in Xiaowangxinzhuang Village, Xinkaikou Town, Baodi District, Tianjin, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 232,734.50 sq.m.</p> <p>The property is situated in Xiaowangxinzhuang Village of Baodi District in Tianjin. Developments in the vicinity are dominated by various industrial buildings. It takes about 90- minute drive from the property to the center of Tianjin.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 54,078.20 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed between 2010 and 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement and its Supplemental Agreement, the land parcel of the property with a site area of 232,734.50 sq.m. has been leased to COFCO Joycome Agro-Pastoral (Tianjin) Co., Ltd. (中糧家佳康農牧(天津)有限公司) (“COFCO Tianjin”), a wholly-owned subsidiary of the Company, for a term expiring on 15 May 2027.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 54,078.20 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was approximately RMB57,900,000 as at the valuation date (equivalent to RMB57,900,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
24.	Various buildings, structures and land parcels located in Shijiazhuang Village, Dangyu Town, Zunhua, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on four parcels of land with a total site area of approximately 193,347.63 sq.m.</p> <p>The property is situated on the eastern side of Changchun-Shenzhen Expressway G25 in Shijiazhuang Village of Dangyu Town in Zunhua. Developments in the vicinity are dominated by various industrial buildings. It takes about a 45-minute drive from the property to the center of Zunhua.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 33,569.26 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2018 and 2020.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to four Tenancy Agreement, the land parcels of the property with a total site area of 193,347.63 sq.m. have been leased to COFCO Joycome (Zunhua) Co., Ltd. (中糧家佳康(遵化)有限公司) (“COFCO Zunhua”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 23 August 2037.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 33,569.26 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB47,800,000 as at the valuation date (equivalent to RMB47,800,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
25.	Various buildings, structures and land parcels located in Datanghe Village and Bahuzhuang Village, Zunhua, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a total site area of approximately 486,675.77 sq.m.</p> <p>The property is situated on the northern side of National Highway G230 in Bahuzhuang Village of Zunhua. Developments in the vicinity are dominated by various industrial buildings. It takes about a 30-minute drive from the property to the center of Zunhua.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 75,252.11 sq.m. The structures mainly comprise roads, pipework and sewage facilities. They were completed in 2019.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to two Tenancy Agreements, the land parcels the property with a total site area of 486,675.77 sq.m. have been leased to COFCO Joycome (Zunhua) Co., Ltd. (中糧家佳康(遵化)有限公司) (“COFCO Zunhua”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 31 December 2028.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 75,252.11 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB111,200,000 as at the valuation date (equivalent to RMB111,200,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
26.	Various buildings, structures and a land parcel located in Xindianzi Village, Xindianzi Town, Zunhua, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 43,680.22 sq.m.</p> <p>The property is situated on the eastern side of Beijing Ring Highway G112 in Xindianzi Village of Xindianzi Town in Zunhua. Developments in the vicinity are dominated by various industrial buildings. It takes about a 25-minute drive from the property to the center of Zunhua.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 2,747.79 sq.m. The structures mainly comprise roads, pipework and sewage facilities. They were completed in 2018.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of 43,680.22 sq.m. have been leased to COFCO Joycome (Zunhua) Co., Ltd. (中糧家佳康(遵化)有限公司) (“COFCO Zunhua”), a wholly-owned subsidiary of the Company, for a term expiring on 31 December 2028.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 2,747.79 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB7,000,000 as at the valuation date (equivalent to RMB7,000,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
27.	Various buildings, structures and a land parcel located at No. 1 West Ring Road, Longkou Town, Heshan, Guangdong Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 42,300.50 sq.m.</p> <p>The property is situated on the southern side of Beihuan Road in Longkou Town of Heshan. Developments in the vicinity are dominated by various industrial parks. It takes about a 15-minute drive from the property to the center of Heshan.</p> <p>The buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 22,107.25 sq.m. The structures mainly comprise roads, sewage facilities and fire safety facilities. They were completed in between 2018 and 2019.</p> <p>The land use rights of the property have been granted for a term expiring on 22 December 2053 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB71,200,000 (Renminbi Seventy One Million and Two Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB71,200,000 (Renminbi Seventy One Million and Two Hundred Thousand))</p>

Notes:

1. Pursuant to the Real Estate Title Certificate – Yue 2019 He Shan Shi Bu Dong Chan Quan Di No. 0000521, the building ownership rights of the property with a gross floor area of approximately 22,107.25 sq.m. together with its corresponding land use rights with a site area of 42,300.50 sq.m. have been granted to COFCO Maverick Food Products Co., Ltd. (中糧萬威客食品有限公司) (“COFCO Maverick”), a wholly-owned subsidiary of the Company, for a term expiring on 22 December 2053 for industrial use.
2. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. COFCO Maverick legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings.
3. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
28.	Various buildings, structures and land parcels located in Sanshihao Town, Daxing Town and Santuan Town, Changling County, Songyuan, Jilin Province, PRC	<p>The property comprises various buildings and ancillary structures erected on fifteen parcels of land with a total site area of approximately 19,903,700.00 sq.m.</p> <p>The property is situated in the Sanshihao Town, Daxing Town and Santuan Town of Changling County in Songyuan. Developments in the vicinity are dominated by various agricultural villages. It takes about a 90-minute drive from the property to the center of Songyuan.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 791,340.83 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2014 and 2022.</p> <p>The property also comprises a construction work which includes various workshops and ancillary buildings with a total proposed gross floor area of approximately 36,890.76 sq.m. These construction works are scheduled to be completed in December 2022.</p>	As at the valuation date, portion of the property was occupied by the Group for hoggery use whilst the remaining portion of the property was under construction.	No commercial value (refer to Notes 2 and 4)

Notes:

- Pursuant to fifteen Tenancy Agreements, the land parcels of the property with a total site area of approximately 19,903,700.00 sq.m. have been leased to COFCO Joycome (Jilin) Limited (中糧家佳康(吉林)有限公司) (“COFCO Jilin”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 20 December 2068.
- We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 6) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 791,340.83 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB1,568,100,000 as at the valuation date (equivalent to RMB1,568,100,000, 100% interests attributable to the Group).

APPENDIX II VALUATION REPORT OF THE PROPERTIES OF THE GROUP

3. As advised by the Group, the total construction cost of the construction works of the property is estimated to be approximately RMB304,400,000, of which approximately RMB92,100,000 has been paid up to the valuation date.
4. We note the opinion issued by the Group's PRC legal adviser (as stated in Note 6) that no application of construction formalities is required to be made in respect of the construction works. However, due to the practical inability to transfer the aforesaid construction works as a result of the lack of construction formalities, in the course of our valuation, we have assigned no commercial value to the construction works of the property with a total gross floor area of approximately 36,890.76 sq.m. For your reference purpose, the depreciated replacement cost of the construction work of the property was RMB92,100,000 as at the valuation date (equivalent to RMB92,100,000, 100% interests attributable to the Group).
5. As advised by the Group's PRC legal adviser, it is not required for those construction works to apply for relevant construction formalities.
6. We have been provided with a legal opinion regarding the title to the property issued by the Group's PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggery and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws; and
 - ii. no relevant construction formalities have been applied. However, as the construction works concerned (as stated in Note 4) were built inside the leased agricultural land parcels for hoggery and ancillary uses, it is not required for those construction works to apply for relevant construction formalities according to the relevant statutory requirements. Accordingly, notwithstanding that no construction formalities for the construction works were applied for, the construction works do not constitute unauthorized constructions under the PRC laws.
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:

Group	Market value in existing state as at 30 November 2022	Interest attributable to the Group	Market value attributable to the Group as at 30 November 2022
Group I – held by the Group for owner occupation	No commercial value	100%	No commercial value
Group II – held by the Group under development	No commercial value	100%	No commercial value
Total:	No commercial value		No commercial value

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
29.	Various buildings, structures and a land parcel located in Taipingchuan Town Industrial Zone, Changling County, Songyuan, Jilin Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 51,519.00 sq.m.</p> <p>The property is situated in Taipingchuan Town Industrial Zone of Changling County in Songyuan. Developments in the vicinity are dominated by various agricultural villages. It takes about a 90-minute drive from the property to the center of Changlin Town.</p> <p>The completed buildings comprise various workshops and ancillary buildings with a total gross floor area of approximately 18,354.57 sq.m. The structures mainly comprise roads, pipework, sewage facilities and fire safety facilities. They were completed in between 2016 and 2021.</p> <p>The land use rights of the property have been granted for a term expiring on 20 July 2065 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB47,600,000 (Renminbi Forty Seven Million and Six Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB47,600,000 (Renminbi Forty Seven Million and Six Hundred Thousand))</p> <p>(refer to Note 2)</p>

Notes:

- Pursuant to 16 Building Ownership Certificates – Ji (2018) Chang Ling Xian Bu Dong Chan Quan Zheng Nos. 0007794 to 0007796, Ji (2019) Chang Ling Xian Bu Dong Chan Quan Zheng Nos. 0008016 to 0008024 and Ji (2020) Chang Ling Xian Bu Dong Chan Quan Zheng Nos. 0006286 to 0006289, the building ownership rights of various buildings with a total gross floor area of 17,297.47 sq.m. together with their corresponding land use rights with a site area of 51,519.00 sq.m. have been granted to COFCO Joycome (Jilin) Limited (中糧家佳康(吉林)有限公司) (“COFCO Jilin”), a wholly-owned subsidiary of the Company.

As advised by the Group, the buildings as stated in the Building Ownership Certificate mentioned above only comprise portion of the property and the remaining portions of the buildings with a total gross floor area of approximately 1,057.10 sq.m. have not obtained the Building Ownership Certificate.
- We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings with a total gross floor area of approximately 1,057.10 sq.m. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB1,500,000 as at the valuation date (equivalent to RMB1,500,000, 100% interests attributable to the Group).
- We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - COFCO Jilin legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings; and
 - no Building Ownership Certificates have been obtained. However, as the buildings as stated in Note 2 are temporary and ancillary buildings, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
- For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
30.	Various buildings and a land parcel located in Daerhao Village, Changling Town, Changling County, Songyuan, Jilin Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 47,920.81 sq.m.</p> <p>The property is situated in Daerhao Village of Changling Town in Changling County. Developments in the vicinity are dominated by various agricultural villages. It takes about a 15-minute drive from the property to the center of Changlin Town.</p> <p>The completed buildings comprise various workshops and ancillary buildings with a total gross floor area of approximately 17,576.84 sq.m. They were completed in between 2021 and 2022.</p> <p>The land use rights of the property have been granted for a term expiring on 26 April 2070 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB36,200,000 (Renminbi Thirty Six Million and Two Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB36,200,000 (Renminbi Thirty Six Million and Two Hundred Thousand))</p>

Notes:

1. Pursuant to the Land Use Rights Grant Contract – No. 2020007, the land use rights of a parcel of land with a site area of 47,920.81 sq.m. have been granted to COFCO Joycome (Jilin) Limited. (中糧家佳康(吉林)有限公司) (“COFCO Jilin”), a wholly-owned subsidiary of the Company, for a term of 50 years for industrial use at a land grant fee of RMB6,181,784.49.
2. Pursuant to the State-owned Land Use Certificate – Ji (2020) Chang Ling Xian Bu Dong Chan Quan Zheng No. 0002389, the land use rights of the property with a site area of 47,920.81 sq.m. have been granted to COFCO Jilin for expiring on 26 April 2070 for industrial use.
3. Pursuant to twelve Building Ownership Certificates – Ji (2022) Chang Ling Xian Bu Dong Chan Quan Zheng Nos. 0014964 to 0014970, 0014972 to 0014975 and 0014986 the building ownership rights of various buildings with a total gross floor area of 17,576.84 sq.m. have been granted to COFCO Jilin.
4. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. COFCO Jilin legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings.
5. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
31.	Various buildings, structures and land parcels located in Huancheng Industrial Zone, Changling County, Songyuan, Jilin Province, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a site area of approximately 102,810.87 sq.m.</p> <p>The property is situated in Huancheng Industrial Zone of Changling County in Songyuan. Developments in the vicinity are dominated by various agricultural villages and industrial buildings. It takes about an 10-minute drive from the property to the center of Changling County.</p> <p>The completed buildings comprise various workshops and ancillary buildings with a total gross floor area of approximately 45,995.82 sq.m. They were completed in 2022.</p> <p>The land use rights of the property have been granted for two concurrent terms expiring on 25 August 2069 and 2 July 2070 respectively for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB240,300,000 (Renminbi Two Hundred Forty Million and Three Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB240,300,000 (Renminbi Two Hundred Forty Million and Three Hundred Thousand))</p>

Notes:

1. Pursuant to two Land Use Rights Grant Contracts – Nos. 19024 and 2020014, the land use rights of two parcel of land with a total site area of 102,810.87 sq.m. have been granted to COFCO Joycome (Jilin) Co., Ltd. (中糧家佳康(吉林)有限公司) (“COFCO Jilin”), a wholly-owned subsidiary of the Company, for a term of 50 years for industrial use at a land grant fee of RMB16,572,072.23.
2. Pursuant to two State-owned Land Use Certificates – Ji (2019) Chang Ling Xian Bu Dong Chan Quan Zheng No. 0008026 and Ji (2020) Chang Ling Xian Bu Dong Chan Quan Zheng No. 0003572, the land use rights of the property with a total site area of 102,810.87 sq.m. have been granted to COFCO Jilin for a term expiring on 25 August 2069 and 2 July 2070 respectively for industrial use.
3. Pursuant to eighteen Building Ownership Certificates – Ji (2022) Chang Ling Xian Bu Dong Chan Quan Zheng Nos. 0014835 to 0014852, the building ownership rights of various buildings with a total gross floor area of 45,995.82 sq.m. have been granted to COFCO Jilin.
4. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. COFCO Jilin legally owns the land use rights of the property and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid land use rights within the land use terms as stated in the aforesaid State-owned Land Use Certificates; and
 - ii. COFCO Jilin legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings.
5. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
32.	Various buildings, structures and land parcels located in Yulong Industrial Park, Wudan Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a total site area of approximately 94,076.65 sq.m.</p> <p>The property is situated at the intersection between Bei'er Road and Beiwu Street in Yulong Industrial Park of Wudan Town in Wengniute Banner. Developments in the vicinity are dominated by various industrial buildings. It takes about an 80-minute drive from the property to the center of Chifeng.</p> <p>The completed buildings comprise various workshops and ancillary buildings with a total gross floor area of approximately 22,893.88 sq.m. The structures mainly comprise roads, pipework and sewage facilities. They were completed in between 2017 and 2022.</p> <p>The land use rights of the property have been granted for two concurrent terms expiring in August 2065 and on 12 November 2070 respectively for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB69,000,000 (Renminbi Sixty Nine Million)</p> <p>(100% interest attributable to the Group: RMB69,000,000 (Renminbi Sixty Nine Million))</p>

Notes:

1. Pursuant to two State-owned Land Use Certificates – Weng Guo Yong (2016) No. 229 and Meng (2020) Weng Niu Te Qi Bu Dong Chan Quan No. 0011646, the land use rights of the property with a total site area of 94,076.65 sq.m. have been granted to COFCO Joycome (Chifeng) Co., Ltd. (中糧家佳康(赤峰)有限公司) (“COFCO Chifeng”), a wholly-owned subsidiary of the Company, for two concurrent terms expiring in August 2065 and on 12 November 2070 respectively for industrial use.
2. Pursuant to two Building Ownership Certificates – Meng (2017) Weng Niu Te Qi Bu Dong Chan Quan No. 0004645 and Meng (2022) Weng Niu Te Qi Bu Dong Chan Quan No. 0001909, the building ownership rights of various buildings with a total gross floor area of 22,893.88 sq.m. have been granted to COFCO Chifeng.
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. COFCO Chifeng legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
33.	Various buildings, structures and a land parcel located in Taijiyingzi Village, Wudan Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 3,831,512.16 sq.m.</p> <p>The property is situated in Taijiyingzi Village of Wudan Town in Chifeng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 130-minute drive from the property to the center of Chifeng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 119,592.90 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2014 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 3,831,512.16 sq.m. have been leased to COFCO Joycome (Chifeng) Co., Ltd. (中糧家佳康(赤峰)有限公司) (“COFCO Chifeng”), a wholly-owned subsidiary of the Company, for a term expiring on 31 December 2063.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 119,592.90 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB194,500,000 as at the valuation date (equivalent to RMB194,500,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
34.	Various buildings, structures and a land parcel located in Haijinshan Farm, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 3,847,579.24 sq.m.</p> <p>The property is situated in Haijinshan Farm of Wengniute Banner in Chifeng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 130-minute drive from the property to the center of Chifeng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 171,344.93 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2015 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 3,847,579.24 sq.m. have been leased to COFCO Joycome (Chifeng) Co., Ltd. (中糧家佳康(赤峰)有限公司) (“COFCO Chifeng”), a wholly-owned subsidiary of the Company, for a term expiring on 31 December 2044.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 171,344.93 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB276,600,000 as at the valuation date (equivalent to RMB276,600,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
35.	Various buildings, structures and a land parcel located in Zhuangtouyingzi Village, Wutong Flower Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 1,982,676.58 sq.m.</p> <p>The property is situated in Zhuangtouyingzi Village of Wutong Flower Town in Wengniute Banner. Developments in the vicinity are dominated by various agricultural villages. It takes about a 90-minute drive from the property to the center of Chifeng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 174,011.41 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2019 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 1,982,676.58 sq.m. have been leased to COFCO Joycome (Chifeng) Co., Ltd. (中糧家佳康(赤峰)有限公司) (“COFCO Chifeng”), a wholly-owned subsidiary of the Company, for a term expiring on 9 April 2048.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 174,011.41 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB255,400,000 as at the valuation date (equivalent to RMB255,400,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
36.	Various buildings, structures and a land parcel located in Yuanbaowa Village, Wutong Flower Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 4,132,914.00 sq.m.</p> <p>The property is situated in Yuanbaowa Village of Wutong Flower Town in Chifeng. Developments in the vicinity are dominated by various agricultural villages and grasslands. It takes about a 90-minute drive from the property to the center of Chifeng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 240,029.77 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 4,132,914.00 sq.m. have been leased to COFCO Joycome (Chifeng) Co., Ltd. (中糧家佳康(赤峰)有限公司) (“COFCO Chifeng”), a wholly-owned subsidiary of the Company, for a term expiring on 31 May 2050.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 240,029.77 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB423,100,000 as at the valuation date (equivalent to RMB423,100,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
37.	Various buildings, structures and a land parcel located in Baiyinhua Sheep Farm No. 2 Branch, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 2,887,647.77 sq.m.</p> <p>The property is situated in Baiyinhua Sheep Farm No. 2 Branch of Wudan Town in Chifeng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 90-minute drive from the property to the center of Chifeng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 160,753.37 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 2,887,647.77 sq.m. have been leased to COFCO Joycome (Chifeng) Co., Ltd. (中糧家佳康(赤峰)有限公司) (“COFCO Chifeng”), a wholly-owned subsidiary of the Company, for a term expiring on 31 May 2050.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 160,753.37 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB261,500,000 as at the valuation date (equivalent to RMB261,500,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
38.	A building and a land parcel located in Toupaizi Village, Wudan Town, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	<p>The property comprises a building erected on a parcel of land with a total site area of approximately 173,414.20 sq.m.</p> <p>The property is situated in Toupaizi Village of Wengniute Banner in Chifeng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 90-minute drive from the property to the center of Chifeng.</p> <p>The completed building comprises a transfer station with a gross floor area of approximately 5,502.46 sq.m. and was completed in 2021.</p>	As at the valuation date, the property was occupied by the Group for ancillary use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of approximately 173,414.20 sq.m. have been leased to COFCO Joycome (Chifeng) Co., Ltd. (中糧家佳康(赤峰)有限公司) (“COFCO Chifeng”), a wholly-owned subsidiary of the Company, for a term expiring on 8 April 2051.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the building with a gross floor area of approximately 5,502.46 sq.m. For your reference purpose, the depreciated replacement cost of that building was RMB7,700,000 as at the valuation date (equivalent to RMB7,700,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggery and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
39.	Various buildings, structures and a land parcel located in South Area of Yulong Industrial Park, Wengniute Banner, Chifeng, Inner Mongolia Autonomous Region, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 132,315.07 sq.m.</p> <p>The property is situated on the western side of Gongliu Road and the northern side of Gongsu Street in Yulong Industrial Park of Chifeng. Developments in the vicinity are dominated by various agricultural villages and grasslands. It takes about an 80-minute drive from the property to the center of Chifeng.</p> <p>The completed buildings comprise various workshops and ancillary buildings with a total gross floor area of approximately 45,727.60 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in 2022.</p> <p>The land use rights of the property have been granted for a term expiring on 5 December 2070 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB120,800,000 (Renminbi One Hundred Twenty Million and Eight Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB120,800,000 (Renminbi One Hundred Twenty Million and Eight Hundred Thousand))</p> <p>(refer to Note 4)</p>

Notes:

- Pursuant to the Land Use Rights Grant Contract – Weng Zi Ran Zi G(2020)-16, the land use rights of a parcel of land with a site area of 132,315.07 sq.m. have been granted to Wengniute Banner Branch COFCO Joycome (Chifeng) Co., Ltd. (中糧家佳康(赤峰)有限公司翁牛特旗分公司) (“COFCO Chifeng Wengniute Banner Branch”), a wholly-owned subsidiary of the Company, for a term of 50 years for industrial use at a land grant fee of RMB11,650,000.
- Pursuant to the State-owned Land Use Certificate – Meng (2022) Weng Niu Te Qi Bu Dong Chan Quan No. 0008475, the land use rights of the property with a site area of 132,315.07 sq.m. have been granted to COFCO Chifeng Wengniute Banner Branch for a term expiring on 5 December 2070 for industrial use.
- Pursuant to the Building Ownership Certificate – Meng (2022) Weng Niu Te Qi Bu Dong Chan Quan No. 0008475, the building ownership rights of various buildings with a gross floor area of 40,705.60 sq.m. have been granted to COFCO Chifeng Wengniute Banner Branch.

As advised by the Group, the buildings as stated in the Building Ownership Certificate mentioned above only comprise portion of the property and the remaining portions of the buildings with a total gross floor area of approximately 5,022.00 sq.m. have not obtained the Building Ownership Certificate as at the valuation date.

- We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 5) that portion of the buildings with a gross floor area of 871.40 sq.m. were still applying for the Building Ownership Certificate as at the valuation date and no application of title certificate is required to be made in respect of the remaining buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a gross floor area of approximately 5,022.00 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB12,500,000 as at the valuation date (equivalent to RMB12,500,000, 100% interests attributable to the Group).

5. We have been provided with a legal opinion regarding the title to the property issued by the Group's PRC legal adviser, which contains, inter alias, the following information:
 - i. COFCO Chifeng Wengniute Banner Branch legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings;
 - ii. COFCO Chifeng Wengniute Banner Branch has obtained the Building Ownership Certificate for portion of the buildings with a gross floor area of 871.40 sq.m. as stated in Note 4 in December 2022; and
 - iii. no Building Ownership Certificates for the remaining buildings as stated in Note 4 have been obtained. However, as these buildings are temporary and ancillary buildings, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, such remaining buildings do not constitute unauthorized constructions under the PRC laws.
6. For the purpose of this report, the property is classified into group as "Group I – held by the Group for owner occupation in the PRC" according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
40.	Various buildings, structures and land parcels located at No. 10 Yanbei Road, Economic Development Zone, Zhangbei County, Zhangjiakou, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a total site area of approximately 33,331.07 sq.m.</p> <p>The property is situated on the southern side of Yanbei East Road in Economic development zone of Zhangbei County in Zhangjiakou. Developments in the vicinity are dominated by various industrial buildings. It takes about a 10-minute drive from the property to the center of Zhangbei.</p> <p>The completed buildings comprise various workshops and ancillary buildings with a total gross floor area of approximately 8,868.37 sq.m. The structures mainly comprise roads, pipework and sewage facilities. They were completed in between 2017 and 2020.</p> <p>The property also comprises a construction work which includes a warehouse with a proposed gross floor area of approximately 3,803.77 sq.m. The construction work is scheduled to be completed in May 2023.</p> <p>The land use rights of the property have been granted for two concurrent terms expiring on 6 May 2066 and 15 April 2067 respectively for industrial use.</p>	As at the valuation date, portion of the property was occupied by the Group for industrial use whilst the remaining portion of the property was under construction.	<p>RMB36,100,000 (Renminbi Thirty Six Million and One Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB36,100,000 (Renminbi Thirty Six Million and One Hundred Thousand))</p> <p>(refer to Note 4)</p>

Notes:

- Pursuant to two Land Use Rights Grant Contracts – Nos. C13072220160506-1 and C13072220160827, the land use rights of two parcels of land with a total site area of 33,331.07 sq.m. have been granted to COFCO Joycome (Zhangbei) Co., Ltd. (中糧家佳康(張北)有限公司) (“COFCO Zhangbei”), a wholly-owned subsidiary of the Company, for a term of 50 years for industrial use at a total land grant fee of RMB5,082,100.
- Pursuant to two State-owned Land Use Certificates – Zhang Guo Yong (2016) No. 0755 and Ji (2017) Zhangbei Xian Bu Dong Chan Quan No. 0002364, the land use rights of the property with a total site area of 33,331.07 sq.m. have been granted to COFCO Zhangbei for two concurrent terms expiring on 6 May 2066 and 15 April 2067 respectively for industrial use.

3. Pursuant to the Building Ownership Certificate – Ji (2019) Zhangbei Xian Bu Dong Chan Quan No. 0003324, the building ownership rights of various buildings with a total gross floor area of 8,345.37 sq.m. have been granted to COFCO Zhangbei.
- As advised by the Group, the buildings as stated in the Building Ownership Certificate mentioned above only comprise portion of the property and the remaining portions of the buildings with a total gross floor area of approximately 523.00 sq.m. have not obtained the Building Ownership Certificate.
4. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 11) that the buildings with a total gross floor area of approximately 523.00 sq.m. were still applying for the Building Ownership Certificate as at the valuation date. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings. For your reference purpose, the depreciated replacement cost of those buildings was RMB1,300,000 as at the valuation date (equivalent to RMB1,300,000, 100% interests attributable to the Group).
5. Pursuant to two Construction Land Planning Permits – Di Zi Nos. 130722202100017 and 13072220160019, COFCO Zhangbei was permitted to use two parcels of land with a total site area of 33,331.00 sq.m. for industrial use.
6. Pursuant to the Construction Work Planning Permit – Jian Zi No. 13072220220025, the approved construction scale of a building is 3,803.77 sq.m.
7. Pursuant to Construction Work Commencement Permits – No.130722202207270101, the construction works of a building with a construction scale of 3,803.77 sq.m. were approved for commencement.
8. As advised by the Group, the total construction cost of the construction works of the property is estimated to be approximately RMB7,700,000, of which approximately RMB5,200,000 has been paid up to the valuation date.
9. The market value of the construction work portion of the property as if completed as at the valuation date is estimated to be RMB8,400,000 (equivalent to RMB8,400,000, 100% interests attributable to the Group).
10. As advised by the Group, the relevant Construction Land Planning Permit, Construction Work Planning Permit and Construction Work Commencement Permit have been obtained at the present stage of the construction for the property.
11. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
- COFCO Zhangbei legally owns the land use rights of the property and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid land use rights within the land use terms as stated in the aforesaid State-owned Land Use Certificate;
 - COFCO Zhangbei legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings;
 - COFCO Zhangbei is applying the Building Ownership Certificate for the buildings as stated in Note 4; and
 - the construction works of the property have obtained the relevant Construction Land Planning Permit, Construction Work Planning Permit and Construction Work Commencement Permit. If there exists no illegal behavior, it is expected that the aforesaid construction works can apply for the title certificates.
12. 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 2022	Interest attributable to the Group	Market value attributable to the Group as at 30 November 2022
Group I – held by the Group for owner occupation	RMB29,300,000	100%	RMB29,300,000
Group II – held by the Group under development	RMB6,800,000	100%	RMB6,800,000
Total:	RMB36,100,000		RMB36,100,000

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
41.	Various buildings, structures and a land parcel located in Xuqingfang Village, Gonghui Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 903,337.85 sq.m.</p> <p>The property is situated on the eastern side of Provincial Highway S245 in Gonghui Town of Zhangbei County in Zhangjiakou. Developments in the vicinity are dominated by various industrial buildings. It takes about a 40-minute drive from the property to the center of Zhangbei County.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 60,977.00 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2015 and 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a total site area of 903,337.85 sq.m. have been leased to COFCO Joycome (Zhangbei) Co., Ltd. (中糧家佳康(張北)有限公司) (“COFCO Zhangbei”), a wholly-owned subsidiary of the Company, for a term expiring on 5 January 2045.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 60,977.00 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB94,200,000 as at the valuation date (equivalent to RMB94,200,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
42.	Various buildings, structures and a land parcel located in Shizigou Village, Erquanjing Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 183,294.25 sq.m.</p> <p>The property is situated on the eastern side of Provincial Highway S245 in Erquanjing Town of Zhangbei County in Zhangjiakou. Developments in the vicinity are dominated by various industrial buildings. It takes about a 40-minute drive from the property to the center of Zhangbei County.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 19,153.91 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2016 and 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of 183,294.25 sq.m. have been leased to COFCO Joycome (Zhangbei) Co., Ltd. (中糧家佳康(張北)有限公司) (“COFCO Zhangbei”), a wholly-owned subsidiary of the Company, for a term expiring on 10 March 2045.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 19,153.91 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB27,300,000 as at the valuation date (equivalent to RMB27,300,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
43.	Various buildings, structures and a land parcel located in Denggannao Village, Erquanjing Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 425,862.13 sq.m.</p> <p>The property is situated on the eastern side of Provincial highway S245 in Erquanjing Town of Zhangbei County in Zhangjiakou. Developments in the vicinity are dominated by various industrial buildings. It takes about a 40-minute drive from the property to the center of Zhangbei.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 36,262.10 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2016 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of 425,862.13 sq.m. have been leased to COFCO Joycome (Zhangbei) Co., Ltd. (中糧家佳康(張北)有限公司) (“COFCO Zhangbei”), a wholly-owned subsidiary of the Company, for a term expiring on 10 March 2045.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 36,262.10 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB44,800,000 as at the valuation date (equivalent to RMB44,800,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
44.	Various buildings, structures and a land parcel located in Heituwan Village, Liangmianjing Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 1,430,354.00 sq.m.</p> <p>The property is situated on the western side of Provincial Highway S245 in Zhangbei County of Zhangjiakou. Developments in the vicinity are dominated by various industrial buildings. It takes about a 90-minute drive from the property to the center of Zhangbei County.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 107,791.92 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2017 and 2021.</p>	As at the valuation date, the property was occupied by the Group for animal hoggery use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of 1,430,354.00 sq.m. have been leased to COFCO Joycome (Zhangbei) Co., Ltd. (中糧家佳康(張北)有限公司) (“COFCO Zhangbei”), a wholly-owned subsidiary of the Company, for a term expiring on 1 December 2045.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 107,791.92 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB192,500,000 as at the valuation date (equivalent to RMB192,500,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggery and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
45.	Various buildings, structures and a land parcel located in Houshuiquan Village, Liangmianjing Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a site area of approximately 919,306.00 sq.m.</p> <p>The property is situated on the eastern side of Provincial Highway S245 in Liangmianjing Town of Zhangbei County in Zhangjiakou. Developments in the vicinity are dominated by various industrial buildings. It takes about a 60-minute drive from the property to the center of Zhangbei County.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 66,390.79 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2017 and 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of 919,306.00 sq.m. has been leased to COFCO Joycome (Zhangbei) Co., Ltd. (中糧家佳康(張北)有限公司) (“COFCO Zhangbei”), a wholly-owned subsidiary of the Company, for a term expiring on 1 December 2045.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 66,390.79 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB107,000,000 as at the valuation date (equivalent to RMB107,000,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
46.	Various buildings, structures and a land parcel located in Fugong Village, Gonghui Town, Zhangbei County, Zhangjiakou, Hebei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 45,053.56 sq.m.</p> <p>The property is situated on the eastern side of Provincial Highway S245 in Gonghui Town of Zhangbei County in Zhangjiakou. Developments in the vicinity are dominated by various industrial buildings. It takes about a 40-minute drive from the property to the center of Zhangbei.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 2,940.90 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2016 and 2020.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to the Tenancy Agreement, the land parcel of the property with a site area of 45,053.56 sq.m. has been leased to COFCO Joycome (Zhangbei) Co., Ltd. (中糧家佳康(張北)有限公司) (“COFCO Zhangbei”), a wholly-owned subsidiary of the Company, for a term expiring on 1 July 2045.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 2,940.90 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB5,500,000 as at the valuation date (equivalent to RMB5,500,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
47.	Various buildings, structures and land parcels located in Zhaolou Village, Huanglou Village, Qiaozhuang Village and Green Manures Breeding Farm, Peiqiao Town, Yongcheng, Henan Province, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a total site area of approximately 718,764.59 sq.m.</p> <p>The property is situated on the eastern side of National Highway No. 0006 in Peiqiao Town of Yongcheng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 50-minute drive from the property to the center of Yongcheng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 65,689.53 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2018 and 2021.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to two Tenancy Agreements, the land parcels of the property with a total site area of 718,764.59 sq.m. have been leased to COFCO Joycome (Henan) Co., Ltd. (中糧家佳康(河南)有限公司) (“COFCO Henan”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 30 September 2036.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 65,689.53 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB99,800,000 as at the valuation date (equivalent to RMB99,800,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
48.	Various buildings, structures and land parcels located in Liuzhuang Village, Wanlou Village, Qiao Zhuang, Peiwashen Group, Shuan Village, Yandian Village and Sugou Village, Peiqiao Town, Yongcheng, Henan Province, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a total site area of approximately 711,472.56 sq.m.</p> <p>The property is situated on the southern side of Peiqiao Town in Yongcheng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 50-minute drive from the property to the center of Yongcheng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 144,052.97 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2021 and 2022.</p> <p>The property also comprises various construction works which include workshops and ancillary buildings with a total proposed gross floor area of approximately 13,570.94 sq.m. These construction works are scheduled to be completed in December 2022.</p>	As at the valuation date, portion of the property was occupied by the Group for hoggery use whilst the remaining portion of the property was under construction.	No commercial value (refer to Notes 2 and 4)

Notes:

- Pursuant to two Tenancy Agreements, the land parcels of the property with a total site area of 711,472.56 sq.m. have been leased to COFCO Joycome (Henan) Co., Ltd. (中糧家佳康(河南)有限公司) (“COFCO Henan”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 30 September 2036.
- We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 144,052.97 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB210,500,000 as at the valuation date (equivalent to RMB210,500,000, 100% interests attributable to the Group).
- As advised by the Group, the total construction cost of the construction works of the property is estimated to be approximately RMB35,100,000, of which approximately RMB11,400,000 has been paid up to the valuation date.

APPENDIX II VALUATION REPORT OF THE PROPERTIES OF THE GROUP

4. We note the opinion issued by the Group's PRC legal adviser (as stated in Note 6) that no application of construction formalities is required to be made in respect of the construction works. However, due to the practical inability to transfer the aforesaid construction works as a result of the lack of construction formalities, in the course of our valuation, we have assigned no commercial value to the construction works of the property with a total gross floor area of approximately 13,570.94 sq.m. For your reference purpose, the depreciated replacement cost of the construction work of the property was RMB11,400,000 as at the valuation date (equivalent to RMB11,400,000, 100% interests attributable to the Group).
5. As advised by the Group's PRC legal adviser, it is not required for those construction works to apply for relevant construction formalities.
6. We have been provided with a legal opinion regarding the title to the property issued by the Group's PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggery and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws; and
 - ii. no relevant construction formalities have been applied. However, as the construction works concerned (as stated in Note 4) were built inside the leased agricultural land parcels for hoggery and ancillary uses, it is not required for those construction works to apply for relevant construction formalities according to the relevant statutory requirements. Accordingly, notwithstanding that no construction formalities for the construction works were applied for, the construction works do not constitute unauthorized constructions under the PRC laws.
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:

Group	Market value in existing state as at 30 November 2022	Interest attributable to the Group	Market value attributable to the Group as at 30 November 2022
Group I – held by the Group for owner occupation	No commercial value	100%	No commercial value
Group II – held by the Group under development	No commercial value	100%	No commercial value
Total:	No commercial value		No commercial value

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
49.	Various buildings, structures and a land parcel located in Tianlou Village, Peiqiao Town, Yongchen, Henan Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 27,800.14 sq.m.</p> <p>The property is situated on the southern side of National Highway No. 045 in Peiqiao Town of Yongcheng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 30-minute drive from the property to the center of Yongcheng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 2,582.64 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in 2019.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to a Tenancy Agreement, the land parcel of the property with a site area of 27,800.14 sq.m. have been leased to COFCO Joycome (Henan) Co., Ltd. (中糧家佳康(河南)有限公司) (“COFCO Henan”), a wholly-owned subsidiary of the Company, for a term expiring on 31 May 2037.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 2,582.64 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB6,900,000 as at the valuation date (equivalent to RMB6,900,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
50.	Various buildings, structures and land parcels located in Chen Zhuang Village, Lizhai Town, Yongcheng, Henan Province, PRC	<p>The property comprises various buildings and ancillary structures erected on two parcels of land with a total site area of approximately 283,174.75 sq.m.</p> <p>The property is situated on the southern side of National Highway No. 032 in Lizhai Town of Yongcheng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 50-minute drive from the property to the center of Yongcheng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 48,781.57 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in 2018.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use.	No commercial value (refer to Note 2)

Notes:

1. Pursuant to two Tenancy Agreements, the land parcels of the property with a total site area of 283,174.75 sq.m. have been leased to COFCO Joycome (Henan) Co., Ltd. (中糧家佳康(河南)有限公司) (“COFCO Henan”), a wholly-owned subsidiary of the Company, for various terms with the latest expiring on 30 September 2036.
2. We note the opinion issued by the Group’s PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, 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 48,781.57 sq.m. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB61,700,000 as at the valuation date (equivalent to RMB61,700,000, 100% interests attributable to the Group).
3. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggerly and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws.
4. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
51.	Various buildings, structures and land parcels located in Dadinglou Village, Huangkou Town, Yongcheng, Henan Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 603,682.02 sq.m.</p> <p>The property is situated on the southern side of National Highway No. 018 in Huangkou Town of Yongcheng. Developments in the vicinity are dominated by various agricultural villages. It takes about a 20-minute drive from the property to the center of Yongcheng.</p> <p>The completed buildings comprise various workshops, dormitories and ancillary buildings with a total gross floor area of approximately 45,033.25 sq.m. The structures mainly comprise roads, pipework, sewage facilities and biogas facilities. They were completed in between 2020 and 2022.</p> <p>The property also comprises various construction works which include workshops and ancillary buildings with a total proposed gross floor area of approximately 52,779.63 sq.m. These construction works are scheduled to be completed in December 2022.</p>	As at the valuation date, the property was occupied by the Group for hoggerly use whilst the remaining portion of the property was under construction.	No commercial value (refer to Notes 2 and 4)

Notes:

- Pursuant to the Tenancy Agreement entered into between The People's Government of Huangkou Town (黄口乡人民政府) (the "Lessor") and COFCO Joycome (Henan) Co., Ltd. (中糧家佳康(河南)有限公司) ("COFCO Henan"), a wholly-owned subsidiary of the Company, the land parcels of the property with a total site area of 603,682.02 sq.m. have been leased to COFCO Joycome (Henan) for a term expiring on 1 August 2038.
- We note the opinion issued by the Group's PRC legal adviser (as stated in Note 3) that no application of title certificate is required to be made in respect of the buildings. However, due to the practical inability to transfer the aforesaid buildings as a result of the lack of title certificate, in the course of our valuation, we have assigned no commercial value to the buildings with a total gross floor area of approximately 45,033.25 sq.m. and structures. For your reference purpose, the depreciated replacement cost of those buildings and structures was RMB84,700,000 as at the valuation date (equivalent to RMB84,700,000, 100% interests attributable to the Group).

APPENDIX II VALUATION REPORT OF THE PROPERTIES OF THE GROUP

3. As advised by the Group, the total construction cost of the construction works of the property is estimated to be approximately RMB139,600,000, of which approximately RMB30,300,000 has been paid up to the valuation date.
4. We note the opinion issued by the Group's PRC legal adviser (as stated in Note 6) that no application of construction formalities is required to be made in respect of the construction works. However, due to the practical inability to transfer the aforesaid construction works as a result of the lack of construction formalities, in the course of our valuation, we have assigned no commercial value to the construction works of the property with a total gross floor area of approximately 52,779.63 sq.m. For your reference purpose, the depreciated replacement cost of the construction work of the property was RMB30,300,000 as at the valuation date (equivalent to RMB30,300,000, 100% interests attributable to the Group).
5. As advised by the Group's PRC legal adviser, it is not required for those construction works to apply for relevant construction formalities.
6. We have been provided with a legal opinion regarding the title to the property issued by the Group's PRC legal adviser, which contains, inter alias, the following information:
 - i. no Building Ownership Certificates have been obtained. However, as the buildings concerned (as stated in Note 2) are hoggery and ancillary facilities, it is not required for these buildings to apply for title certificate. Accordingly, notwithstanding that no title certificates for the buildings were obtained, the buildings do not constitute unauthorized constructions under the PRC laws; and
 - ii. no relevant construction formalities have been applied. However, as the construction works concerned (as stated in Note 4) were built inside the leased agricultural land parcels for hoggery and ancillary uses, it is not required for those construction works to apply for relevant construction formalities according to the relevant statutory requirements. Accordingly, notwithstanding that no construction formalities for the buildings were applied for, the construction works do not constitute unauthorized constructions under the PRC laws.
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:

Group	Market value in existing state as at 30 November 2022	Interest attributable to the Group	Market value attributable to the Group as at 30 November 2022
Group I – held by the Group for owner occupation	No commercial value	100%	No commercial value
Group II – held by the Group under development	No commercial value	100%	No commercial value
Total:	No commercial value		No commercial value

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2022
52.	Various buildings, structures and land parcels located at No. 15 Nanhu Wu Road, Huangzhou District, Huanggang, Hubei Province, PRC	<p>The property comprises various buildings and ancillary structures erected on a parcel of land with a total site area of approximately 175,874.70 sq.m.</p> <p>The property is situated on the western side of Nanhu Wu Road in Huangzhou District of Huanggang. Developments in the vicinity are dominated by various industrial buildings. It takes about a 10-minute drive from the property to the center of Huanggang.</p> <p>The completed buildings comprise various workshops and ancillary buildings with a total gross floor area of approximately 48,780.80 sq.m. The structures mainly comprise roads, pipework and sewage facilities. They were completed in between 2020 and 2021.</p> <p>The land use rights of the property have been granted for a term expiring on 31 October 2068 for industrial use.</p>	As at the valuation date, the property was occupied by the Group for industrial use.	<p>RMB235,800,000 (Renminbi Two Hundred Thirty Five Million and Eight Hundred Thousand)</p> <p>(100% interest attributable to the Group: RMB235,800,000 (Renminbi Two Hundred Thirty Five Million and Eight Hundred Thousand))</p>

Notes:

1. Pursuant to the Land Use Rights Grant Contract – No. E HG-2018-0690, the land use rights of a parcel of land of the property with a site area of 175,874.70 sq.m. have been granted to COFCO Joycome (Hubei) Co., Ltd. (中糧家佳康(湖北)有限公司) (“COFCO Hubei”), a wholly-owned subsidiary of the Company, for a term of 50 years for industrial use at a land grant fee of RMB29,550,000.
2. Pursuant to the State-owned Land Use Certificate – E (2019) Huang Gang Shi Bu Dong Chan Quan Di No. 0000226, the land use rights of the property with a site area of 175,874.70 sq.m. have been granted to COFCO Hubei for a term expiring on 31 October 2068 for industrial use.
3. Pursuant to 15 Building Ownership Certificates – E (2021) Huang Gang Shi Bu Dong Chan Quan Nos. 0018102 to 0018116, the building ownership rights of various buildings of the property with a total gross floor area of 48,780.80 sq.m. have been granted to COFCO Hubei.
4. We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. COFCO Hubei legally owns the land use rights of the property and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid land use rights within the land use term as stated in the aforesaid State-owned Land Use Certificate; and
 - ii. COFCO Hubei legally owns the building ownership rights of the buildings as stated in the Building Ownership Certificates and is entitled to occupy, use, earn from, transfer, lease out or by any other means dispose of the aforesaid buildings.
5. For the purpose of this report, the property is classified into group as “Group I – held by the Group for owner occupation in the PRC” according to the purpose for which it is held.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中糧家佳康食品有限公司
COFCO Joycome Foods Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01610)

PROFIT WARNING

This announcement is made by COFCO Joycome Foods Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company, based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2022 (the “**Year 2022**”) and the information currently available to the Board, it is expected that the loss attributable to owners of the Company before biological assets fair value adjustments for the Year 2022 of the Group (“**Before Adjustments**”) will be approximately RMB0.25 billion to RMB0.45 billion (unaudited), compared with the profit attributable to owners of the Company of RMB2.38 billion in the same period of last year.

The Board considers that, the expected year-on-year decrease of Before Adjustments results of the Group is mainly attributable to the following reasons: the rising global feed raw material prices have led to higher feed cost; the domestic catering consumer market was affected, which has in turn affected beef distribution in the second half of 2022 and resulted in year-on-year decrease of results in the meat import segment; and the Group participated in futures hedging, which had an adverse impact on the results for the current period, while it had a positive impact on the results for 2021.

The information contained in this announcement is prepared only based on the information currently available to the Board and a preliminary assessment of the consolidated management accounts for the Year 2022 of the Group which have not been confirmed, reviewed or audited by the independent auditor of the Company. The audited results of the Group for the Year 2022 may differ from those disclosed in this announcement. Shareholders and potential investors are advised to read the Group’s results announcement for the Year 2022 to be published in late March 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
COFCO Joycome Foods Limited
Jiang Guojin
*Chairman, executive director
and general manager*

Beijing, PRC, January 6, 2023

As at the date of this announcement, the Board comprises Mr. Jiang Guojin as the chairman of the Board, executive director and general manager, Mr. Ma Dewei and Dr. Zhao Wei as non-executive directors, and Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong as independent non-executive directors.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中糧家佳康食品有限公司
COFCO Joycome Foods Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01610)

PROFIT UPDATE

This announcement is made by COFCO Joycome Foods Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BEFORE ADJUSTMENTS RESULTS OF THE GROUP FOR THE YEAR 2022

Reference is made to the profit warning announcement (“**Profit Warning Announcement**”) of the Company dated January 6, 2023.

As disclosed in the Profit Warning Announcement, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2022 (the “**Year 2022**”) and the information which was then available to the board of directors (the “**Board**”), it is expected that the loss attributable to owners of the Company before biological assets fair value adjustments for the Year 2022 of the Group will be approximately RMB0.25 billion to RMB0.45 billion (unaudited) (“**Before Adjustments Figure**”), compared with the profit attributable to owners of the Company before biological assets fair value adjustments of approximately RMB2.38 billion for the year ended December 31, 2021.

AFTER ADJUSTMENTS RESULTS OF THE GROUP FOR THE YEAR 2022

Based on the latest assessment by the Board with reference to the latest available information in relation to fair value of biological assets appraised by the valuer, the Board wishes to provide further updates to the Shareholders and potential investors that the Group is currently expected to record a profit attributable to owners of the Company after biological assets fair value adjustments of approximately RMB0.25 billion to RMB0.39 billion (unaudited) (“**After Adjustments Figure**”) for the Year 2022, compared with the loss attributable to owners of the Company after biological assets fair value adjustments of approximately RMB0.46 billion for the year ended December 31, 2021.

As the Company is still in the process of finalizing the annual results for the Year 2022, the information contained in this announcement is prepared only based on the information currently available to the Board and a preliminary assessment of the consolidated management accounts for the Year 2022 of the Group which have not been confirmed, reviewed or audited by the independent auditor of the Company. The audited results of the Group for the Year 2022 may differ from those disclosed in this announcement. Shareholders and potential investors are advised to read the Group's results announcement for the Year 2022 which is expected to be published in late March 2023.

TAKEOVERS CODE IMPLICATIONS

Reference is made to the announcement of the Company dated January 11, 2023 in relation to the proposed subscription of shares under specific mandate and the application for whitewash waiver (the "**Announcement**"). Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The After Adjustments Figure as disclosed in this announcement constitutes profit forecasts under Rule 10 of the Takeovers Code, and accordingly, must be reported on in accordance with Rule 10 of the Takeovers Code unless the annual results announcement of the Company for the Year 2022 has been published prior to the next document to be sent to the Shareholders in relation to the Share Subscription and the Whitewash Waiver.

In addition, as disclosed in the Announcement, the Before Adjustments Figure contained in the Profit Warning Announcement also constitutes profit forecasts under Rule 10 of the Takeovers Code, and accordingly, must be reported on in accordance with Rule 10 of the Takeovers Code unless the annual results announcement of the Company for the Year 2022 has been published prior to the next document to be sent to the Shareholders in relation to the Share Subscription and the Whitewash Waiver.

The Company has encountered genuine practical difficulties in meeting the reporting requirements as set out in Rule 10 of the Takeovers Code in respect of this announcement and the Profit Warning Announcement. This announcement and the Profit Warning Announcement do not fully comply with Rule 10 of the Takeovers Code, including but not limited to the requirement for the information as set out in this announcement and the Profit Warning Announcement to be separately reported on by its auditors or accountants and financial advisers or independent financial advisers.

The reports by the Company's auditors or accountants and financial advisers or independent financial advisers in respect of the Before Adjustments Figure and the After Adjustments Figure in accordance with Rule 10 of the Takeovers Code will be included in the circular to be despatched by the Company in respect of the Share Subscription and the Whitewash Waiver (the "**Circular**"), if the annual results announcement of the Company for the Year 2022 has not yet been published prior to the despatch of the Circular.

Shareholders and potential investors of the Company should also note that this announcement and the Profit Warning Announcement do not meet the standard required by Rule 10 of the Takeovers Code and have not been reported on in accordance with the Takeovers Code. Therefore, the information contained in this announcement and the Profit Warning Announcement should not be relied upon as a forecast of any financial position of the Company. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on this announcement and the Profit Warning Announcement in assessing the merits and demerits of the Share Subscription and/or when dealing in the securities of the Company.

Since the Completion is subject to the fulfilment or waiver (as applicable) of the conditions precedent as set out in the Share Subscription Agreement, the Share Subscription may or may not proceed.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM. Completion of the Share Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

By order of the Board
COFCO Joycome Foods Limited
Jiang Guojin

Chairman, executive director and general manager

Beijing, PRC, February 6, 2023

As at the date of this announcement, the Board comprises Mr. Jiang Guojin as the chairman of the Board, executive director and general manager, Mr. Ma Dewei and Dr. Zhao Wei as non-executive directors, and Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong as independent non-executive directors.

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

APPENDIX V REPORT FROM CITIC SECURITIES (HONG KONG) LIMITED
IN RESPECT OF THE PROFIT WARNING ANNOUNCEMENT
AND PROFIT UPDATE ANNOUNCEMENT



CITIC Securities (Hong Kong) Limited

18th Floor
One Pacific Place
88 Queensway
Hong Kong

The Board of Directors
COFCO Joycome Foods Limited
33/F, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Dear Sirs,

We refer to the announcement dated 6 January 2023 (the “**Profit Warning Announcement**”) and the announcement dated 6 February 2023 (the “**Profit Update Announcement**”) issued by COFCO Joycome Foods Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) in relation to the unaudited consolidated net loss attributable to owners of the Company before biological assets fair value adjustments (the “**Unaudited Net Loss Before Fair Value Adjustments**”) and the unaudited consolidated net profit attributable to owners of the Company after biological assets fair value adjustments (the “**Unaudited Net Profit After Fair Value Adjustments**”) of the Group for the year ended December 31, 2022, the full text of which is set out in Appendices III and IV to the circular dated 17 February 2023 (the “**Circular**”) issued by the Company. The terms used in this letter shall have the same meaning as those defined in the Circular of which this letter forms part, unless the context requires otherwise.

The Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments of the Group constitute profit forecast under Rule 10 of the Takeovers Code and is therefore required to be reported on pursuant to Rule 10 of the Takeovers Code.

We have discussed with the Company the bases upon which the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments was prepared. The Company’s auditors, Baker Tilly Hong Kong Limited, conducted the engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (“**HKSAE 3000**”) issued by the HKICPA.

**APPENDIX V REPORT FROM CITIC SECURITIES (HONG KONG) LIMITED
IN RESPECT OF THE PROFIT WARNING ANNOUNCEMENT
AND PROFIT UPDATE ANNOUNCEMENT**

We have also considered the letter dated 17 February 2023 issued by the Company's auditors, Baker Tilly Hong Kong Limited to you (the text of which is set out in Appendix VI to the Circular) and which stated that "so far as all accounting policies and calculations are concerned, the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments have been properly compiled, in all material respect, in accordance with the basis adopted by the directors of the Company as set out in the Basis of compilation of the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments section of this report."

We have not independently verified the computations leading to the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments. We have assumed that all information, materials and representations provided to us by the Company were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Circular and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, whether express or implied, is made by us on the accuracy, truth or completeness of such information, materials or representations. Accordingly, we accept no responsibility, whether expressly or implicitly, on the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments as set out in the Circular.

On the basis of the foregoing and on the basis that the Directors are satisfied that there are no further matters that should be brought to our attention, in our view, the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments, for which you as the Directors are solely responsible, have been made and approved by the Directors with due care and consideration.

Yours faithfully,

For and on behalf of
CITIC Securities (Hong Kong) Limited

Terry Chan
Managing Director

**INDEPENDENT ASSURANCE REPORT ON UNAUDITED FINANCIAL INFORMATION****To the board of directors of COFCO Joycome Foods Limited**

We have performed our work on the principal accounting policies adopted and the calculations used in the compilation of the unaudited consolidated net loss before biological assets fair value adjustments (the “**Unaudited Net Loss Before Fair Value Adjustments**”) and unaudited consolidated net profit after biological assets fair value adjustments (the “**Unaudited Net Profit After Fair Value Adjustments**”) of COFCO Joycome Foods Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2022 prepared for the purpose of disclosure in the Company’s profit warning announcement dated 6 January 2023 and profit update announcement dated 6 February 2023.

Basis of compilation of the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments

The Unaudited Net Loss Before Fair Value Adjustments and the Unaudited Net Profit After Fair Value Adjustments were prepared on a basis consistent with the accounting policies adopted by the Group in the preparation of the results before biological assets fair value adjustments and the results after biological assets fair value adjustments, respectively, presented in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 as included in the audited consolidated financial statements of the Company for the year ended 31 December 2021. In the compilation of the Unaudited Net Loss Before Fair Value Adjustments, the directors of the Company adopted cost model for the Group’s biological assets that all biological assets held by the Group during the year ended 31 December 2022 were measured at cost and corresponding changes in fair value were not adjusted.

Directors’ responsibilities

The directors of the Company are solely responsible for preparing the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments on the basis as set out in the Basis of compilation of the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments section of this report. This responsibility includes designing, implementing and maintaining internal controls relevant to the selection and application of appropriate accounting policies and the accurate calculations in the preparation of the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments that is free from material misstatement.

Our independence and quality management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

It is our responsibility to draw a conclusion on whether, so far as the accounting policies and calculations are concerned, the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments have been properly compiled, in all material respect, in accordance with the basis adopted by the directors of the Company as set out in the Basis of compilation of the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments section of this report, based on our reasonable assurance obtained, and to report our conclusion solely to you, as a body, in accordance with our terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA.

Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments have been compiled, in all material respect, in accordance with the bases adopted by the directors of the Company. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as all accounting policies and calculations are concerned, the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments have been properly compiled, in all material respect, in accordance with the basis adopted by the directors of the Company as set out in the Basis of compilation of the Unaudited Net Loss Before Fair Value Adjustments and Unaudited Net Profit After Fair Value Adjustments section of this report.

Baker Tilly Hong Kong Limited*Certified Public Accountants*

Hong Kong, 17 February 2023

Wan Wing Ping

Practising certificate number P07471

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any of the statements in this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date was, and as a result of the allotment and issue of the Subscription Shares will be, as follows:

(a) As at the Latest Practicable Date

<i>Authorised:</i>	<i>US\$</i>
50,000,000,000 Share of US\$0.000001 each	50,000

Issued and fully paid:

3,901,998,323 Share of US\$0.000001 each	3,901.998323
--	--------------

(b) Immediately following the allotment and issue of the Subscription Shares

<i>Authorised:</i>	<i>US\$</i>
50,000,000,000 Share of US\$0.000001 each	50,000

Issued and fully paid:

3,901,998,323 Share of US\$0.000001 each	3,901.998323
--	--------------

680,000,000 Subscription Shares to be allotted and issued under the Share Subscription of US\$0.000001 each	680
---	-----

4,581,998,323 Share of US\$0.000001 each	4,581.998323
---	---------------------

All the Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital.

Save for the Subscription Shares to be issued under the Share Subscription, the Company had not issued any Shares since 31 December 2021.

No application is being made or is currently proposed or sought for the Shares or the Subscription Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save as disclosed above, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

3. MARKET PRICES

The table below shows the closing price of the Shares on the Stock Exchange on (i) the last trading day of each of the six calendar months immediately preceding the date of the Announcement and up to the Latest Practicable Date; (ii) the last full trading day immediately preceding the release of the Announcement; and (iii) the Latest Practicable Date:

Date	Closing price per Share HK\$
29 July 2022	3.40
31 August 2022	3.01
30 September 2022	2.11
31 October 2022	1.65
30 November 2022	2.28
30 December 2022	2.23
11 January 2023 (being the last full trading day immediately preceding the release of the Announcement)	2.34
31 January 2023	2.54
14 February 2023 (being the Latest Practicable Date)	2.43

The highest and lowest closing prices of the Shares recorded on the Stock Exchange during the Relevant Period were HK\$3.89 on 11 July 2022 and HK\$1.65 on 31 October 2022.

4. DISCLOSURE OF INTERESTS

(A) Directors' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations

As at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or were deemed to have any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules or (iv) to be disclosed in accordance with the Takeovers Code.

(B) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors or chief executives of the Company) and companies had interests or short positions in the Shares or underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of interests of the Company kept under section 336 of the SFO:

Name of the Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding
Mainfield International Limited ("Mainfield")	Beneficial owner	1,078,377,782 (L)	27.64%
China Foods (Holdings) Limited ("China Foods (Holdings)")	Interest in controlled corporation	1,078,377,782 (L)	27.64%
COFCO (Hong Kong) Limited ("COFCO (HK)")	Interest in controlled corporation	1,078,377,782 (L)	27.64%
	Beneficial owner	88,304,000 (L)	2.26%
COFCO Corporation ("COFCO")	Interest in controlled corporation	1,166,681,782 (L)	29.90%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The calculation is based on the total number of 3,901,998,323 Shares in issue as at the Latest Practicable Date.
- (3) Mainfield is a wholly owned subsidiary of China Foods (Holdings). China Foods (Holdings) is wholly owned by COFCO (HK), which in turn is wholly-owned by COFCO. Accordingly, each of COFCO, COFCO (HK) and China Foods (Holdings) is deemed to be interested in such Shares held by Mainfield.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any interest or short positions owned by any persons (other than the Directors or chief executives of the Company) in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company kept under section 336 of the SFO.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors had entered into any service contracts with the Company or any subsidiary or associated company of the Company which (a) (including continuous and fixed term contracts) had been entered into or amended within six months before the date of the Announcement; (b) are continuous contracts with a notice period of 12 months or more; (c) are fixed term contracts with more than 12 months to run irrespective of the notice period; or (d) are not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Director	Date of the service contract or letter of appointment	Term of service contracts or letter of appointment	Emolument
Mr. Ma Dewei	30 July 2021	A term of three years commencing from 30 July 2021 and the term shall be automatically renewed for three years upon expiry	Nil
Dr. Zhao Wei	30 July 2021	A term of three years commencing from 30 July 2021 and the term shall be automatically renewed for three years upon expiry	Nil
Mr. Fu Tingmei	23 May 2016	A term of three years to be renewed for further three years upon expiry	HK\$350,000 per annum
Mr. Li Michael Hankin	23 May 2016	A term of three years to be renewed for further three years upon expiry	HK\$350,000 per annum
Dr. Ju Jiandong	21 November 2018	A term of three years to be renewed for further three years upon expiry	HK\$350,000 per annum

The Directors are eligible for re-election at the shareholders' meetings of the Company in accordance with the Listing Rules, the memorandum and articles of association of the Company and any other applicable laws. Under the letters of appointment of Mr. Ma Dewei, Dr. Zhao Wei, Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong, the Company shall reimburse each of them of all expenses properly and reasonably incurred by them in the performance of their duties or in connection with the business of the Company.

6. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date:

- (a) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2021, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

7. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competed or might compete with the business of the Group, or had or might have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

8. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date, other than the Share Subscription Agreement:

- (a) there was no agreement, arrangement or understanding (including any compensation agreement) existing between the Subscriber or any person acting in concert with it and any Director, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Share Subscription Agreement or the Whitewash Waiver;
- (b) there was no agreement, arrangement or understanding between any Director and any other person which is conditional on or dependent upon the outcome of, or otherwise connected with, the Share Subscription Agreement or the Whitewash Waiver;

- (c) there was no agreement, arrangement or understanding (including any compensation agreement) existing between the Subscriber or any person acting in concert with it and any Director regarding any benefit to any Director as compensation for loss of office or otherwise in connection with the Share Subscription Agreement or the Whitewash Waiver; and
- (d) none of the Directors was materially interested in any material contract entered into by the Subscriber.

9. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS PURSUANT TO THE TAKEOVERS CODE

As at the Latest Practicable Date, other than the holdings of Shares and the Subscription Shares which are proposed to be subscribed for under the Share Subscription as disclosed in the section headed “VI. Effects on Shareholding Structure of the Company” in the Letter from the Board, the Subscriber confirms that:

- (a) none of the directors of the Subscriber was interested (within the meaning of Part XV of the SFO) in any Shares or convertible securities, warrants, options or derivatives in respect of the Shares;
- (b) none of the Subscriber or parties acting in concert with it owned or controlled any Shares or convertible securities, warrants, options and derivatives in respect of the Shares;
- (c) none of the Subscriber or parties acting in concert with it has received any irrevocable commitment from any person as to whether they will vote for or against the resolutions approving the Share Subscription (including the Share Subscription Agreement and the transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver;
- (d) save for the Share Subscription Agreement, none of the Subscriber or parties acting in concert with it had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person;
- (e) none of the Subscriber or parties acting in concert with it has borrowed or lent any Shares or convertible securities, warrants, options and derivatives in respect of the Shares;
- (f) save for the Subscription Price for the Subscription Shares payable under the Share Subscription Agreement, none of the Subscriber or parties acting in concert with it has paid or will pay any other considerations, compensations or benefits in whatever form to the Company or its concert parties in relation to the Share Subscription;

- (g) none of the Subscriber or parties acting in concert with it has entered into any understanding, arrangement or agreement which constitutes special deal (as defined under Rule 25 of the Takeovers Code) with any of the Shareholders;
- (h) other than the Share Subscription, none of the Subscriber or parties acting in concert with it will make any acquisitions or disposals of voting rights in the Company which constitute disqualifying transactions (within the meaning of the Takeovers Code) in the period between the date of the Announcement and Completion;
- (i) there was no agreement, arrangement or understanding pursuant to which the Subscription Shares would be transferred, charged or pledged to any other persons;
- (j) save for the Share Subscription, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of any of the Subscriber and its concert parties and which might be material to the Share Subscription or the Whitewash Waiver; and
- (k) save for the Share Subscription Agreement, there are no agreements or arrangements to which the Subscriber is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition under the Share Subscription or the Whitewash Waiver.

As at the Latest Practicable Date, the Company confirms that:

- (a) none of the Company, its subsidiaries or associated companies has entered into any understanding, arrangement or agreement which constitutes special deal (as defined under Rule 25 of the Takeovers Code) with any of the Shareholders;
- (b) the Company did not own any shares of the Subscriber or convertible securities, warrants, options and derivatives in respect of the shares of the Subscriber;
- (c) none of the Directors had any interest (within the meaning of Part XV of the SFO) in any shares of the Subscriber or convertible securities, warrants, options and derivatives in respect of the shares of the Subscriber;
- (d) none of the Directors had any interest (within the meaning of Part XV of the SFO) in the Shares or convertible securities, warrants, options and derivatives in respect of the Shares;
- (e) as disclosed in the section headed “VI. Effects on Shareholding Structure of the Company” in the Letter from the Board, no Shares, convertible securities, warrants, options and derivatives in respect of the Shares were owned or controlled by any subsidiary of the Company or by a pension fund of any member of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” (for the avoidance of doubt, except in the capacity of an exempt principal trader or exempt fund manager) or who is an associate of the Company by virtue of class (2) of the definition of “associate” (for the avoidance of doubt, except in the capacity of an exempt principal trader or exempt fund manager) in the Takeovers Code;

- (f) save for the Share Subscription Agreement, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with 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”, or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code;
- (g) no Shares or convertible securities, warrants, options and derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
- (h) none of the Directors held any shareholdings in the Company which would entitle them to vote for or against the resolutions approving the Share Subscription (including the Share Subscription Agreement and the transactions contemplated thereunder, and the Specific Mandate) and the Whitewash Waiver; and
- (i) there were no Shares or convertible securities, warrants, options and derivatives in respect of the Shares which the Company or the Directors has/have borrowed or lent.

10. DEALINGS IN SHARES

During the Relevant Period,

- (a) save for the Share Subscription Agreement, neither the Subscriber nor any of the parties acting in concert with it had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares or had acquired or entered into any agreement or arrangement to acquire any voting rights in the Company;
- (b) none of the directors of the Subscriber had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares;
- (c) there were no Shares or convertible securities, warrants, options and derivatives of the Company which the Subscriber or the parties acting in concert with it, or the Directors have borrowed or lent;
- (d) the Company had not dealt for value in any shares of the Subscriber or convertible securities, warrants, options and derivatives in respect of the shares of the Subscriber; and
- (e) none of the Directors had dealt for value in any shares of the Subscriber or convertible securities, warrants, options and derivatives in respect of the shares of the Subscriber or any Shares or convertible securities, warrants, options and derivatives in respect of the Shares.

11. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, 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.

12. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the members of the Group) have been entered into by the members of the Group within the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date, which are or may be material:

- (a) the supplemental financial service agreement dated 9 July 2021 entered into between the Company and COFCO Finance Corporation Limited* (中糧財務有限責任公司) (“**COFCO Finance**”), pursuant to which the Company and COFCO Finance agreed to revise the annual caps for the financial year ended 31 December 2021 for (i) the deposit services provided by COFCO Finance to the Group to RMB1,500,000,000 (in respect of maximum daily deposit amounts placed by the Group with COFCO Finance) and RMB19,400,000 (in respect of interests on deposit payable to the Group for the financial year), respectively; and (ii) the entrustment loan services provided by COFCO Finance to the Group to RMB750,000 (in respect of handling fees payable by the Group for such entrustment loan services). Please refer to the Company’s announcement dated 9 July 2021 and circular dated 25 August 2021 for further details;
- (b) the financial services agreement dated 16 November 2021 entered into between the Company and COFCO Finance, pursuant to which COFCO Finance agreed to provide (i) deposit services to the Group subject to annual caps of RMB1,500,000,000, RMB1,800,000,000 and RMB2,000,000,000 for the financial years ended 31 December 2022 and ending 31 December 2023 and 31 December 2024, respectively (in respect of maximum daily deposit amounts placed by the Group with COFCO Finance and interests on deposit payable to the Group); (ii) loan services (the “**Loan Services**”) to the Group subject to annual caps of RMB1,500,000,000, RMB1,800,000,000 and RMB2,000,000,000 for the financial years ended 31 December 2022 and ending 31 December 2023 and 31 December 2024, respectively (in respect of principal amounts to loans provided by COFCO Finance to the Group) and annual caps of RMB65,250,000, RMB78,300,000 and RMB87,000,000 for the financial years ended 31 December 2022 and ending 31 December 2023 and 31 December 2024, respectively (in respect of interests on such loans payable by the Group to COFCO Finance); (iii) entrustment loan services (the “**Entrustment Loan Services**”) to the Group subject to annual caps of RMB750,000, RMB850,000 and RMB1,000,000 for the financial years ended 31 December 2022 and ending 31 December 2023 and 31 December 2024, respectively (in respect of handling fees payable by the Group for such entrustment loan

services); and (iv) other financial services (including foreign exchange settlement and sales service, settlement service, and other related consultancy and agency services) to the Group subject to annual caps of RMB970,000 for each of the financial years ended 31 December 2022 and ending 31 December 2023 and 31 December 2024, respectively (in respect of handling fees and other service fees payable by the Group to COFCO Finance in respect of such other financial services). Please refer to the Company's announcement dated 16 November 2021 and circular dated 23 December 2021 for further details;

- (c) the supplemental financial service agreement dated 23 August 2022 entered into between the Company and COFCO Finance, pursuant to which the Company and COFCO Finance agreed to revise the annual caps in respect of (i) the Loan Services provided by COFCO Finance to the Group for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 to RMB2,500,000,000, RMB3,000,000,000, and RMB3,500,000,000, respectively (in respect of principal amounts to loans provided by COFCO Finance to the Group); and (ii) the Entrustment Loan Services provided by COFCO Finance to the Group for the financial years ended 31 December 2022 and 31 December 2023 to RMB1,000,000 and RMB1,000,000, respectively (in respect of handling fees payable by the Group for such Entrustment Loan Services); and
- (d) the Share Subscription Agreement.

13. EXPERTS

The following sets out the name and qualification of the experts who have given opinion or advice which is contained in this circular:

Name	Qualification
CITIC Securities (Hong Kong) Limited	a corporation licensed to carry out Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Somerley Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Baker Tilly Hong Kong Limited	Certified Public Accountants
Savills Valuation and Professional Services (China) Limited	an independent professional valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of their letters, reports, advice and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, save as disclosed in the section headed “VI. Effects on Shareholding Structure of the Company” in the Letter from the Board of this circular, each of the above experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts did not have any direct or indirect interest in any assets which had been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group.

14. CORPORATE AND OTHER INFORMATION

The registered office of the Company is located at Tricor Services (Cayman Islands) Limited at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. The principal place of business of the Company in Hong Kong is located at 33/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.

The joint company secretaries of the Company are Dr. Zhang Nan and Ms. Chau Hing Ling.

The share registrar of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

The principal place of business of CITIC Securities (Hong Kong) Limited is 18/F, One Pacific Place, 88 Queensway, Hong Kong.

The principal place of business of the Independent Financial Adviser is 20/F, China Building, 29 Queen’s Road Central, Hong Kong.

The registered office and the correspondence address of the Subscriber is located at 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong. As at the Latest Practicable Date, the directors of the Subscriber are Mr. Lv Jun, Mr. Luan Richeng, Mr. Su Jian and Mr. Song Liang.

The principal members of the Subscriber’s concert group include the Subscriber and Mainfield International Limited. The registered office of Mainfield International Limited is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. As at the Latest Practicable Date, the directors of Mainfield International Limited are Mr. Chen Lang and Mr. Jiang Guojin.

Mainfield International Limited is a wholly-owned subsidiary of the Subscriber, which is in turn wholly-owned by COFCO Corporation, a state-owned enterprise in the PRC. As at the Latest Practicable Date, the directors of COFCO Corporation are Mr. Lv Jun, Mr. Luan Richeng, Mr. Xu Niansha, Mr. Ouyang Qian, Mr. Luo Dongjiang, Mr. Sun Jiakang, Mr. Li Fushen, and Mr. Gao Xiang.

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

The English translation of those entities whose name is marked with an asterisk (*) is for identification purpose only.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>), the SFC (<http://www.sfc.hk>) and the Company (<http://www.cofcojoycome.com>) from the date of this circular up to the date of the EGM:

- (a) this circular;
- (b) the amended and restated memorandum and articles of association of the Company;
- (c) the articles of association of the Subscriber;
- (d) the published annual reports of the Company containing audited consolidated financial statements of the Company for each of the three years ended 31 December 2019, 31 December 2020 and 31 December 2021 and the interim reports of the Company for the six months ended 30 June 2021 and 30 June 2022;
- (e) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
- (f) the letter from the Independent Board Committee, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (g) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
- (h) the written consents referred to in the paragraph headed “13. Experts” in this Appendix;
- (i) the material contracts referred to in the paragraph headed “12. Material Contracts” in this Appendix;

- (j) the service contracts referred to in the paragraph headed “5. Directors’ service contracts” in this Appendix;
- (k) the property valuation report on the properties of the Group issued by Savills Valuation and Professional Services (China) Limited as set out in Appendix II to this circular;
- (l) the Profit Warning Announcement;
- (m) the Profit Update Announcement;
- (n) the report issued by CITIC Securities (Hong Kong) Limited in respect of the Profit Warning Announcement and the Profit Update Announcement as set out in Appendix V of this circular; and
- (o) the report issued by Baker Tilly Hong Kong Limited in respect of the Profit Warning Announcement and the Profit Update Announcement as set out in Appendix VI of this circular.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



中糧家佳康食品有限公司 COFCO Joycome Foods Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01610)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of COFCO Joycome Foods Limited (the “**Company**”) will be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 10 March 2023 at 10:30 a.m. for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolution and special resolution of the Company:

ORDINARY RESOLUTION

1. **THAT**

- (a) the share subscription agreement (the “**Share Subscription Agreement**”) dated 11 January 2023 and entered into between the Company and COFCO (Hong Kong) Limited (the “**Subscriber**”) in relation to the Share Subscription and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) all the transactions contemplated under the Share Subscription Agreement, including but not limited to the specific mandate to allot and issue the Subscription Shares by the Company to the Subscriber pursuant to the Share Subscription Agreement (the “**Specific Mandate**”), be and are hereby approved and the Board be and is hereby authorised to allot and issue the Subscription Shares to the Subscriber pursuant to the Share Subscription Agreement; and
- (c) the Board be and is hereby authorised to do all such acts and things and sign all such documents and to take such steps as it considers necessary or expedient or desirable in connection with or to give effect to the Share Subscription Agreement and the transactions contemplated thereunder, including to the Specific Mandate, and the allotment and issue of the Subscription Shares and to agree to such variation, amendment or waiver as are, in the opinion of the Board, in the interests of the Company.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION

2. **THAT** subject to the granting of the Whitewash Waiver (as defined below) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegate(s) and any conditions that may be imposed thereon, the waiver (the “**Whitewash Waiver**”) of the obligation on the part of the Subscriber and parties acting in concert with it to make a mandatory general offer for all the issued shares and other securities of the Company (other than those already owned or agreed to be acquired by Subscriber and parties acting in concert with it) which might otherwise arise as a result of the Subscriber subscribing for the Subscription Shares under the Share Subscription Agreement pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code be and is hereby approved, and that any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents under seal where applicable as he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to any of the matters relating to, or incidental to, the Whitewash Waiver.

By order of the Board
COFCO Joycome Foods Limited
Jiang Guojin

Chairman, executive Director and general manager

Beijing, PRC, 17 February 2023

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. Details of the above resolutions are set out in the circular of the Company dated 17 February 2023 (the “Circular”). Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Circular.
2. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on behalf of him/her. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 7 March 2023 to Friday, 10 March 2023, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 6 March 2023.
4. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Hong Kong branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, 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 joint holding of such share.
6. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the EGM.
7. Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the above meeting against the epidemic to protect the Shareholders of the Company from the risk of infection:
 - (i) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be permitted to access to the meeting venue;
 - (ii) every Shareholder or proxy is required to wear surgical face mask throughout the meeting; and
 - (iii) no souvenirs or coupons will be provided.

As at the date of this notice, the board of directors of the Company comprises Mr. Jiang Guojin as the chairman of the Board, executive director and general manager, Mr. Ma Dewei and Dr. Zhao Wei as non-executive directors, and Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong as independent non-executive directors.