



Dear Shareholder

Cooks Global Foods Limited (**CGF** or the **Company**) offers investors an opportunity to share in the growth of a fast-growing artisan-style Organic & Fairtrade coffee franchise that builds on New Zealand's leadership of global café culture.

For each quarter for the last two years, our global network of coffee houses has achieved a double digit rate of sales growth. This growth is giving rise to a strong and rising recurring revenue stream made up of franchise fees, royalty payments, beverage supply sales and design and technical services fees. It also promises to lift the value of several related ventures in which the company holds equity.

We see no let-up in this growth. Earlier this year we announced plans to reorganise our operations in China and to raise at least \$10 million in new equity to support these growth aspirations.

Enclosed you will find notice of the CGF special meeting to approve these initiatives. The meeting will be held on Thursday 29 June 2017 at the NZX Limited Offices,¹ Level 7, Zurich House, 21 Queen Street, Auckland starting at 10am. Shareholder registration opens at 9:30 am.

The ordinary resolutions being put forward at the meeting are intended to approve transactions where:

- two existing shareholders, Jiayiayue Holding Group Limited (**JJY**) and Yunnan Metropolitan Construction Investment Group Co Ltd (**YMCI**) will subscribe for ~\$5.27 million of new shares in CGF at an issue price of \$0.0775 per share;
- a third existing shareholder, Keith Jackson (through Cooks Investment Holdings Limited (**CIHL**)) will underwrite the Company's proposed share purchase plan for ~\$4.73 million of new shares in CGF at an issue price of \$0.0775 per share; and
- the Company will have the ability to buyback CGF shares on-market at prevailing market prices (not exceeding 5% of the shares on issue in the preceding 12-month period),

(together, the **Transactions**).

The Board of CGF considers the Transactions to be of significant benefit for the Company, if approved, as they will:

- Resource the Company to accelerate the growth of the Esquires Coffee store chain internationally;
- Support the Company's recently announced initiatives to focus on its core business operations and move towards positive operating cashflows; and
- Reduce debt of the Company (including capitalising loans outstanding to JJY and YMCI).

Key effects of the resolutions not passing are identified and outlined on page 12 of the Notice of Meeting.

Subject to shareholders approving the Transactions, the Company intends to offer shareholders the opportunity to participate in a share purchase plan in July 2017. The offer price will be \$0.0775 per share. Further information on the share purchase plan will be sent to shareholders in due course.

¹ Although the meeting will be held at the NZX Limited Offices, NZX itself is not affiliated with CGF and does not take responsibility for the contents of this Notice of Meeting.

Shareholders may submit specific questions to the Board, in advance of the meeting, by emailing me at keith.jackson@cooksglobalfoods.com.

The enclosed shareholder voting form has detailed instructions on how shareholders may lodge their vote or appoint a proxy to vote on their behalf if they are unable to attend.

The Board encourages all shareholders to attend the meeting. In addition to taking part in the discussion on these resolutions, the meeting represents a great opportunity to hear about the great progress Cooks is making around the world.

I look forward to seeing you at the meeting.

Yours faithfully

A handwritten signature in black ink that reads "Keith Jackson". The signature is written in a cursive style with a large, sweeping initial "K".

Keith Jackson
Executive Chairman

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NOTICE OF SPECIAL MEETING

Notice is hereby given that a special meeting of shareholders of Cooks Global Foods Limited (the **Company**) will be held at the NZX Limited Offices, Level 7, Zurich House, 21 Queen Street, Auckland on Thursday, 29 June 2017 at 10am.

Agenda

- A. The Chairman's introduction.
- B. Presentation to shareholders.
- C. Shareholder discussion.
- D. Resolutions.

Resolutions

To consider and, if thought fit, to pass the following Ordinary Resolutions:

- 1 **Share Issues:** That pursuant to NZAX Listing Rules 7.3.1(a), 7.5.1 and 9.2.1, and Rule 7(d) of the Takeovers Code (as applicable):
 - (a) the issue of 44,873,240 fully paid ordinary shares in the Company to Weihai Station Limited (a wholly owned subsidiary of JJY) (**JJY Shares**);
 - (b) the issue of 23,142,413 fully paid ordinary shares in the Company to YMCI (**YMCI Shares**);
 - (c) the issue of up to 61,032,258 fully paid ordinary shares in the Company to Cooks Investment Holdings Limited (**CIHL Shares**),all at an issue price of \$0.0775 per share and on the terms otherwise detailed in this Notice of Meeting, is approved.
- 2 **Approval of on-market buyback:** That for the purposes of NZAX Listing Rule 7.5.1 and clause 4 of the Takeovers Code (Class Exemption) Notice (No 2) 2001 and, subject to shareholders passing Resolution 1, the buyback programme of the Company as detailed in this Notice of Meeting is approved.

Other Business

To consider any other matter that may properly be brought before the meeting.

Relationship to Market Price

At the time the Share Subscriptions (as defined below under 'Explanatory Notes') were announced the market price of a share in the Company was \$0.10. The proposed share issues under Resolution 1 will be undertaken at a price per share of \$0.0775. This represents a discount of 22.5% from the market price of a share at the time the Share Subscriptions were announced to the market.

As at the close of trading on 13 June 2017, the market price for the Company's shares was \$0.0069.

Voting Information

Interdependence of Resolutions 1 and 2

Resolution 2 is subject to shareholders approving Resolution 1. If Resolution 1 is not passed, Resolution 2 will be withdrawn and not voted on at the Meeting.

Proxies

Any shareholder of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf. A corporation which is a shareholder may appoint a representative to attend the meeting on its behalf in the same manner as it could appoint a proxy. A proxy does not need to be a shareholder of the Company.

The Chairman of the Meeting Mr. Andrew Kerslake can be appointed as a proxy. Where the Chairman is appointed as a discretionary proxy, he intends to vote in favour of all Resolutions.

To appoint a proxy you should complete and sign the enclosed Proxy Form and either return it by mail, fax or email to the share registrar of the Company:

By delivery:

Cooks Global Foods Limited
C/- Link Market Services Limited
Level 11, Deloitte Centre
80 Queen Street
Auckland 1010

By mail:

Cooks Global Foods Limited
C/- Link Market Services Limited
PO Box 91976
Victoria Street West
Auckland 1142

By Fax: +64 9 375 5990

By Email: meetings@linkmarketservices.co.nz (please put "Cooks Proxy Form" as the subject of the e-mail for easy identification)

Alternatively, to appoint your proxy and vote online please go to the Link Market Services website at <https://investorcentre.linkmarketservices.co.nz/voting/CGF> and follow the instructions. You will be required to enter your holder number and FIN for security purposes. A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by no later than 48 hours before the meeting, being 10am on Tuesday, 27 June 2017. Online proxy appointments must also be completed by this time. Registered shareholders at that time will be the only persons entitled to vote at the meeting and only the shares registered in those holders' names at that time may be voted at the meeting.

Ordinary Resolutions

All of the resolutions being put to the Meeting are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those holders of securities of the Company which carry votes, are entitled to vote and are voting on the resolutions in person or by proxy.

Voting Restrictions

In relation to Resolution 1 and pursuant to Listing Rule 9.3.1 and Rule 17 of the Takeovers Code (as applicable), JJY, YMCI, Keith Jackson and their 'Associated Persons' (as that term is defined in the Listing Rules) and their "Associates" (as that term is defined in the Takeovers Code) are each disqualified from voting any securities that they hold in the Company.

In relation to Resolution 2, and pursuant to Listing Rule 9.3.1 and clause 4 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001, JJY, CIHL and their 'Associated Persons' and 'Associates' are each disqualified from voting on any securities they hold in the Company.

Under the Takeovers Code, "Associates" are, in summary, where the persons are or through a third person, acting jointly or in concert, where one person acts or is accustomed to act in accordance with the wishes of the other person, where the persons are related companies or where the persons have a business relationship, personal relationship, or an ownership relationship such that they should, under the circumstances, be regarded as associates. "Associated Persons", under the Listing Rules, has a similar meaning.

The Company will disregard any votes cast on Resolutions 1 and 2 by any persons to whom the foregoing applies. Any proxies given to persons disqualified from voting on those Resolutions will not be valid.

Independent Adviser's Report

Accompanying this Notice of Meeting is an independent report from Simmons Corporate Finance Limited (the **Independent Report**) on the transactions contemplated by the Resolution 1 (required by Rule 16(h) of the Takeovers Code) and Resolution 2 (required by clause 4 of the Takeovers Code (Class Exemptions Notice) (No 2) 2001). Summary evaluations of the merits of the transactions contemplated by the Resolutions are contained in sections 2.2 and 3.2 of the Independent Report. The Company recommends that shareholders read these sections of the Independent Report.

NZX Approval

This notice of meeting has been approved by NZX Limited. However, NZX does not take responsibility for any statement contained in this Notice of Meeting.

Listing Rule References

In this notice of meeting, references to the Listing Rules are references to the listing rules of the NZX Alternative Market.

EXPLANATORY NOTES

RESOLUTION 1 - Background

Resolution 1 is put forward to approve the following transactions:

- Weihai Station Limited (**Weihai**) a New Zealand company wholly owned by Jiayiayue Holding Group. Limited (**JJY**) subscribing for \$3,477,676 of new shares in the Company;
- Yunnan Metropolitan Construction Investment Group Co Ltd (**YMCI**) subscribing for \$1,793,537 of new shares in the Company; and
- Cooks Investment Holdings Limited (**CIHL**) (a company controlled by Keith Jackson) underwriting an issue of up to \$4,730,000 of new shares in the Company,

all at an issue price of \$0.0775 per share and in accordance with the Listing Rules and the Takeovers Code, (together, the **Share Subscriptions**).

The Share Subscriptions have been formulated following the Company's largest shareholders JJY, YMCI, and CIHL expressing a willingness to support the Company's working capital requirements and resource it to implement its business plans. The Share Subscriptions also include arrangements to capitalise previous advances to the Company from JJY and YMCI.

Subscription Agreements

JJY and YMCI have each entered into subscription agreements recording the terms and conditions of the Share Subscriptions (**Subscription Agreements**). The Subscription Agreements are now only conditional on shareholders approving Resolution 1.

Under the Subscription Agreements the new shares will be issued on the second business day following the shareholder meeting (**Completion**).

As noted above (page 4, under "Relationship to market price"), the issue price of \$0.775 per share represents a discount of 22.5% from the market price of a share in the Company at the time the Share Subscriptions were announced.

YMCI

YMCI entered into a share subscription agreement with the Company on 13 April 2017 (**YMCI Subscription Agreement**). The YMCI Subscription Agreement provides for the issue of 23,142,413 shares in the Company for an issue price of \$0.0775 per Subscription Share. The aggregate investment amount due under the YMCI Subscription Agreement is NZ\$1,793,537 (**YMCI Investment Amount**).

As at the date of this Notice of Meeting, the Company has an interest free loan outstanding to YMCI of RMB5.2 million (~NZ\$1,060,000). This loan was assumed by the Company when it acquired its Chinese subsidiary (Beijing Esquires Management Co. Limited (**BEML**)) from YMCI in 2015. At the time of that acquisition, BEML owed this amount to YMCI who had been supporting the working capital requirements of BEML. This loan has subsequently been assigned from BEML to the Company. The Company and YMCI intend to offset the RMB5.2 million (~NZ\$1,060,000) against the YMCI Investment Amount.

The remaining balance of the YMCI Investment Amount (\$732,313) is due to the Company at Completion.

JJY / Weihai

JJY entered into a share subscription agreement with the Company on 2 February 2017 (**JJY Subscription Agreement**). The JJY Subscription Agreement provides for the issue of 44,873,240 shares in the Company for an issue price of \$0.0775 per Subscription Share. The aggregate investment amount due under the JJY Subscription Agreement is \$3,477,676 (**JJY Investment Amount**).

Following entry into the JJY Subscription Agreement JJY nominated Weihai to be the investor under the JJY Subscription Agreement. Weihai is a wholly owned subsidiary of JJY.

The Company and JJY entered into a loan agreement dated 1 July 2016 (**Loan Agreement**). In accordance with the Loan Agreement, JJY advanced to the Company NZ\$1,000,000 (**Loan**). The Loan has also accrued interest (at a rate of 11.25% per annum) so that interest of \$77,619.22 is outstanding to JJY in addition to the principal of the Loan (together the **Outstanding Balance**). The Company and JJY intend to offset the Outstanding Balance against the JJY Investment Amount.

JJY has advanced to the Company approximately \$1.3 million on an interest free basis as a partial prepayment of the JJY Investment Amount. The remaining balance of the JJY Investment Amount (\$1.09 million) is due to the Company at Completion.

Underwriting Agreement

The Company and CIHL entered into an underwriting agreement dated 28 March 2017 (**Underwriting Agreement**). Keith Jackson is the sole director and shareholder of CIHL and is also the Executive Chairman of the Company.

In accordance with the Underwriting Agreement, CIHL will underwrite an offer of ordinary shares in the Company to existing shareholders under a share purchase plan to be undertaken by the Company (**SPP**). The SPP is intended to open in July 2017 and offer new shares in the Company at an issue price of \$0.0775 per share. The maximum level of underwriting for the SPP is \$4,730,000 (**Underwritten Amount**).

Under the Underwriting Agreement CIHL has 12 months from the date shareholder approval is obtained to pay to the Company an amount equal to the Underwritten Amount less the aggregate value of applications received under the SPP. CIHL is entitled to be paid an underwriting fee equal to 1.5% of the Underwritten Amount (in cash). In addition CIHL has the right under the Underwriting Agreement to bring in, over the term of the underwriting agreement, sub-underwriters who may assume all or part of CIHL's underwriting obligations.

In order to assess the merits of the Share Subscriptions, shareholders should consider section 2 of the Independent Report (*Evaluation of the Merits of the Capital Raising*). The impact on the control position of the Company as a result of the Share Subscriptions should be considered and is demonstrated in a table on page 14 of this Notice of Meeting and is discussed in section 2.10 of the Independent Report. The dilution effect on shareholders is also demonstrated in a table on page 13 of this Notice of Meeting.

Use of Proceeds

If Resolution 1 is passed the Company will secure up to \$10 million to be received over the next twelve months. The intended approximate use of these proceeds over this period is as follows:

- Working capital requirements (approximately \$6.5 million)
 - Accelerate growth in store numbers and revenue growth in existing stores through joint ventures, store rebranding and franchisee support (especially in UK and Ireland) – approximately \$1.5 million.
 - Establish stores and support operations in the US and Canadian markets – approximately \$1.5 million.
 - Support key operational initiatives to assist with the acceleration of store and revenue growth – approximately \$1.7 million.

- General working capital requirements – approximately \$1.8 million.
- Reduce debt such as short term debt and bank borrowings – approximately \$3.5 million (\$2.14 million will be offset against the debt owed to JJY and YMCI).

Resolution 2 – Background

The Company's financial position is expected to substantially improve as a result of the following transactions:

- **New Capital:** Through Resolution 1 being passed and the Company securing NZ\$10 million in new capital which will be applied to reducing debt and funding growth in the Company's other key markets (United Kingdom, Ireland and the Middle East).
- **China Transaction:** The Company recently announced a term sheet for putting its China operations in a funded joint venture with strategic partners with vital local knowledge to drive the growth of Esquires coffee (<https://www.nzx.com/companies/CGF/announcements/302484>). The Company's China business has to date had an annual cash burn of approximately \$3 million which will cease if this transaction is successfully concluded.
- **Core Business Focus:** The Company recently announced the sale of loss-making Progressive Processors to focus on its core Esquires coffee business (<https://www.nzx.com/companies/CGF/announcements/299866>). Progressive Processors had a cash burn of approximately NZ\$700,000 in FY17 which has now ceased.

The net effect of the above transactions for the Company is that the Company expects to reach positive operating cashflow in FY2018. As these transactions and other business initiatives are executed by the Company, the Company's goal is to see its share price appreciate and justify, subject to required approvals, a listing on the NZX Main Board Market.

As progress on the above is made the Company is conscious that an investment in its own shares may at times be an effective use of capital. Accordingly the Board of CGF has passed resolutions that the Company may acquire its own shares from shareholders in accordance with section 65 of the Companies Act through on-market share purchases (the **Buyback Programme**). The parameters of the Buyback Programme are as follows:

- the maximum number of shares that may be acquired is 20,000,000.
- shares may only be acquired by the Company through on-market trades.
- offers to acquire shares may only be made if Resolution 2 is passed.
- the Company will pay the prevailing market price for the shares at the time of the purchase.
- shares acquired will be cancelled.
- the Company is not obliged to make offers, and reserves the right to cease making offers at any time.
- offers to acquire shares will only be made at times when the Board is satisfied on reasonable grounds that the Company will, after the relevant acquisitions, satisfy the solvency test in the Companies Act 1993.
- whether shares are bought back at all will depend on market conditions and other factors prevailing at the relevant time. The Company will regularly reassess the situation and seek to purchase shares at prices that in its view represent the best value for shareholders.
- no maximum price is specified for shares acquired, but the Company will always disclose the number of shares, and the price at which it bought them in accordance with the Listing Rules and Companies Act 1993 requirements.

- the Company will not purchase any shares while it possesses any information which is not generally available to the market, and which, if it were so available would have a material effect on the price of the Company's shares. If the Company acquires such sensitive information, it will cease acquiring shares until the information is publicly disclosed.

The cancellation of shares acquired by the Company under the Buyback Programme will result in a proportional increase in the shareholding of shareholders who have not sold their shares to the Company on-market.

Shareholder approval is sought for the Buyback Programme pursuant to the Takeovers Code (Class Exemptions) Notice (No 2) 2001 and pursuant to Listing Rule 7.5.1 for any change in effective control due to the Buyback Programme. This approval will permit JJY (and its Associates) and CIHL (and its Associates) to retain any increase in its shareholdings over the 20% threshold in the Takeovers Code (as demonstrated in the table on page 22) without JJY being compelled to make a takeover offer for the Company. The Company considers that approval under Listing Rule 7.5.1 should also be obtained as a change in effective control of the Buyback Transaction could, for Listing Rules purposes be interpreted as any of the three largest shareholders of the Company materially increasing their control of the Company.

Effect of the Resolutions Passing

Resolution 1

If the Share Subscriptions are approved:

- The Company will secure NZ\$6.5 million of working capital over the next 12 months to fund its growth plans, particularly in its current markets of the United Kingdom, Ireland and the Middle East.
- All shareholders will receive the opportunity to invest in the Company at the same price as the Share Subscriptions through the SPP.
- The Company will reduce debt by NZ\$3.5 million.
- Shareholders will have their shareholdings diluted (subject to participating in the SPP).
- The three largest shareholders will increase their individual control of the Company.

This Notice of Meeting should be read in conjunction with the Independent Report, which assesses the merits of the Share Subscriptions.

Resolution 2

If the Buyback Programme is approved:

- The Company will have the flexibility to respond at times when it considers the market price of the Company's shares is lower than is justified by the underlying value of the Company's assets.
- The market price of the Company's shares may be supported if the execution of the Company's current business initiatives is not being reflected by the market.
- The liquidity of the Company's shares may be improved.
- The largest shareholders of the Company may increase their effective control of the Company due to a concentration of the number of shares on issue.

This Notice of Meeting should be read in conjunction with the Independent Report, which assesses the merits of the Buyback.

Effect of the Resolutions Not Passing

Resolution 1

If the Share Subscriptions are not approved:

- The Company will be liable to repay the amounts previously advanced by JJY and YMCI immediately or negotiate new repayment arrangements.
- The Company's capital raising efforts with financial investors have yielded limited success given the Company's growth stage. Support has come from strategic industry investors.
- The Company will be unable to implement its business plans until a new, supported capital plan can be arranged.
- The Company will need to consider an asset divestment programme to satisfy debt.
- The Company may face an insolvency event.
- JJY, YMCI and CIHL may choose to cease providing the short term financing support they were previously provided.
- There is a counter party risk for the Company that CIHL will be unable to satisfy and perform its obligations under the Underwriting Agreement.

Resolution 2

If any changes in effective control that the Buyback Programme may cause are not approved by shareholders:

- The Company will not proceed with the Buyback Programme as acquiring shares would force its three largest shareholders to reduce their shareholdings in the Company to offset any resulting increase in control. This is considered inappropriate in light of the substantial financial support they have given to the Company.
- The Company would not have the flexibility to effectively manage its capital for the benefit of all shareholders.
- The Company's share price may materially undervalue the Company from time to time and the Company will lack a mechanism for rectifying this.
- The Company will retain working capital on hand for investing in the Company further rather than applying such working capital to the purchase of its own shares.

Dilution Effect

Resolution 1 could have the following dilution effect on shareholders if passed:

Current Shares on issue	416,595,863
Shares issued under Share Subscription	129,047,911
Total shares on issue after Share Subscription	545,643,774
Percentage of overall dilution	23.651%
Example shareholder: pre-offer percentage holding	10%
Example shareholder: post-offer percentage holding	7.635%

The Board does not consider the dilution effects of the Share Subscriptions to be material. Shareholders will be offered the opportunity to recover dilution through the SPP which will correspondingly reduce the level of the Share Subscriptions (given they include the Underwriting Agreement). The above table assumes that no applications are made for shares under the SPP.

Please refer to section 2.11 of the Independent Report for an assessment of the dilutionary impact on shareholders.

Requirements for Shareholder Approval

Shareholder approval for Resolutions 1 and 2 are required under a number of applicable Listing Rules and the Takeovers Code.

How the Share Subscriptions and Buyback Programme trigger these requirements and relevant disclosures against these requirements are set out below.

RESOLUTION 1 – Listing Rules

Listing Rule 7.3.1(a) – Issues of New Equity Securities

Approval of the Share Subscriptions under Resolution 1 is sought pursuant to Listing Rule 7.3.1(a). This Listing Rule provides that shareholders must approve the precise terms and conditions of the share issue and that the share issue must be completed within 12 months of the date the authorising resolution is passed.

Specific disclosures required by Listing Rule 6.2.1 are:

Resolutions – Share Subscription	
Number of Shares to be Issued:	Weihai – 44,873,240 shares. YMCI– 23,142,413 shares. CIHL – up to 61,032,258
Purpose of Issue:	To raise new capital for the purpose of funding the business plans of the Company, in particular the growth of the Esquires Coffee store chain in foreign markets, and to retire and capitalise debts of the Company.
Issue Price:	\$0.0775 per share.
Parties to whom Shares will be Issued:	Weihai – 44,873,240 shares. YMCI– 23,142,413 shares. CIHL – up to 61,032,258 shares. CIHL may also appoint sub-underwriters to take up all or some of these shares however no sub-underwriters have been appointed as at the date of this Notice of Meeting.
Time Period for the Issue:	The issue of shares to Weihai and YMCI will occur at Completion. The issue of shares to CIHL will occur as payments under the Underwriting Agreement are made to the Company which will only occur after the allotment of shares under the SPP (expected in July 2017) and by no later than 12 months after the date of the Meeting.
Ranking of New Shares:	The new shares will rank equally in all respects with all other ordinary shares on issue.

Listing Rules 7.5.1 – Issues of Securities Affecting Control

Listing Rule 7.5.1 provides that no issue of equity securities shall be made by the Company (without shareholder approval) if there is a significant likelihood that the issue will result in any person or group of associated persons materially increasing their ability to exercise, or direct the exercise of (either then or at any future time) effective control of the Company. This Listing Rule applies where that person or group of associated persons is entitled before the issue to direct the exercise of not less than 1% of the total votes attaching to securities of the Company and, together will have the ability to block ordinary resolutions.

JJY, YMCI, and CIHL each hold more than 1% of all of the shares on issue in the Company and will either directly or through their associated persons subscribe for new shares if Resolution 1 is passed. The following table illustrates the control changes:

Rule 7.5.1 – Control Changes					
Party	Existing Shareholding	Existing Shareholding Percentage (%)	Total New Shares to be Issued	New Shareholding	New Shareholding Percentage (%)
JJY	103,330,704	24.804%	-	103,330,704	18.937% ²
Weihai (Associated person of JJY)	-	-	44,873,240	44,873,240	8.223% ³
Total JJY / Weihai	103,330,704	24.804%	44,873,240	148,203,944	27.160%
YMCI	77,577,227	18.622%	23,142,413	100,719,640	18.459% ⁴
CIHL	53,700,683	12.890%	Up to 61,032,258	114,732,941	21.027%
Graeme Keith Jackson, Patricia Frances Jackson and Phillip Mack Picot; Tasman Capital Limited (Associated Persons of CIHL)	39,536,499	9.490%	-	39,536,499	7.246%
Total CIHL / Keith Jackson	93,237,182	22.38%	Up to 61,032,258	154,269,440	28.273%

Please refer to section 2.10 of the Independent Report for an assessment of the impact on the Company's control on shareholders.

If JJY and YMCI chose to participate in the SPP, each party could only subscribe for up to a number of shares that recovers any dilution caused by other shareholders participating in the SPP without a further shareholder approval under the Takeovers Code being necessary.

Listing Rule 9.2.1 – Related Party Transactions

Listing Rule 9.2.1 provides that except with the prior approval of an ordinary resolution the Company may not enter a material transaction with a related party. Resolution 1 seeks such an approval.

The Share Subscriptions are a material transaction under the Listing Rules because they comprise linked transactions for an issue of securities that have an aggregate value of up to \$10 million which is in excess of 10% of the average market capitalisation of the Company. The Company as at 13 June 2017 had a market capitalisation of approximately \$28.75 million.

The following related parties are interested in the Share Subscriptions to the following extent:

- Zhe Hui is a director of the Company and therefore a related party of the Company. Zhe Hui is also a senior executive in YMCI and YMCI is his associated person making YMCI an indirect related party of the Company.
- YMCI currently holds or controls more than 10% of the Company's ordinary shares and is also directly a related party of the Company.
- Mr Peihuan Wang is a director of the Company and therefore a related party of the Company. Mr Wang is also the Chairman and largest shareholder of JJY and JJY is his associated person making JJY an indirect related party of the Company.

² Until shares are issued under the Underwriting Agreement or SPP this percentage from Completion will be 21.322%.

³ Until shares are issued under the Underwriting Agreement or SPP this percentage from Completion will be 9.26%.

⁴ Until shares are issued under the Underwriting Agreement or SPP this percentage from Completion will be 20.784%.

- JJY currently holds or controls more than 10% of the Company's ordinary shares and is also directly a related party of the Company. Weihai is a wholly owned subsidiary of JJY and accordingly is an associated person of JJY and also a related party of the Company.
- Graeme Keith Jackson is the Executive Chairman of the Company and therefore a related party of the Company. Keith Jackson is also the sole director and shareholder of CIHL and CIHL is his associated person making CIHL an indirect related party of the Company.
- CIHL currently holds or controls more than 10% of the Company's ordinary shares and is also directly a related party of the Company.
- CIHL also holds, as bare trustee, the legal interest in shares that are beneficially owned by the following directors and employees of the Company. Such directors and employees are each related parties of the Company and CIHL is an associated person of each of them:
 - Graeme Keith Jackson, Executive Chairman of the Company, beneficially owns 44,566,640 shares held by CIHL at the date of this Notice of Meeting.
 - Michael George Rae Hutcheson, Director of the Company, beneficially owns 619,309 shares held by CIHL at the date of this Notice of Meeting.
 - Craig Brown, Chief Financial Officer of the Company, beneficially owns 1,354,738 shares held by CIHL at the date of this Notice of Meeting.
 - Zhe Hui, non-executive Director, beneficially owns 745,106 shares held by CIHL at the date of this Notice of Meeting.

A certificate from the non-interested director of the Company as required by Listing Rule 9.2.5(b) is included at the end of this Notice of Meeting.

Resolution 1 – Takeovers Code

The Company is a "Code Company" under the Takeovers Code meaning that there are restrictions on persons being allotted or acquiring voting rights (or the control of voting rights) above a 20% threshold. A permitted procedure under the Takeovers Code is that the Company's non-associated shareholders approve an allotment and/or acquisition above this threshold. The Resolutions seek such an approval.

JJY currently holds more than 20% of the Company's voting securities and will, through its associate Weihai, increase its percentage holding of voting securities. The Weihai Share Subscription will occur at the same time as the YMCI Share Subscription however, the CIHL Share Subscription will occur later in accordance with the Underwriting Agreement as described above. Accordingly JJY will later (within 12 months of the date of the Meeting) have its holding of voting securities diluted by the CIHL Share Subscription.

YMCI currently holds less than 20% of the Company's voting securities. However, it will when the YMCI Share Subscription is allotted hold more than 20% of the Company's voting securities. YMCI will then be diluted, like JJY, through the CIHL Share Subscription and revert to a holding of less than 20%.

CIHL and its associates currently hold more than 20% of all of the Company's voting securities. The percentage of voting securities held by CIHL as a result of the CIHL Share Subscription will depend upon the level of applications for shares in the SPP and whether any sub-underwriters are appointed by CIHL in the future. For Code purposes approval is sought as if no applications are received under the SPP and no sub-underwriters are appointed.

The tables below set out the specific disclosures required by Rule 16 of the Takeovers Code in respect of the proposed allotment of shares under the Share Subscription:

Note. The first table sets out the Weihai and YMCI Subscriptions and the second table sets out the CIHL Subscription.

	Rule 16, Takeovers Code	Compliance Information
(a)	the identity of the allottee and, if different from the allottee, the identity of any person who will become a controller of an increased percentage of voting securities in the code company as a result of the allotment or allotments.	Weihai will be allotted 44,873,240 shares under the Weihai Share Subscription. JJY will become the controller of an increased percentage of voting securities as a result of this allotment. YMCI will be allotted 23,142,413 shares under the Share Subscription.
(b)	particulars of the voting securities to be allotted, including: (i) the number being allotted; and	Weihai – 44,873,240 ordinary shares YMCI - 23,142,413 ordinary shares
	(ii) the percentage of the aggregate of all existing voting securities and all voting securities being allotted that that number represents; and	14.03% in aggregate but between the respective parties as follows: Weihai – 9.26%* YMCI – 4.77%*
	(iii) the percentage of all voting securities that will be held or controlled by the allottee after completion of the allotment; and	Weihai – 9.26%* YMCI – 20.78%*
	(iv) the aggregate of the percentages of all voting securities that will be held or controlled by the allottee and the allottee’s associates after completion of the allotment.	Weihai / JJY – 30.58%* YMCI – 20.78%*
(c)	not applicable	
(d)	the issue price for the voting securities to be allotted and when it is payable.	\$0.0775 per share. Payment of the issue price will be satisfied at Completion by Weihai and YMCI.
(e)	the reasons for the allotment.	To raise new capital for the purpose of funding the business plans of the Company, in particular the growth of the Esquires Coffee store chain, and retire and capitalise (where applicable) debt of the Company as is further described in this Notice of Meeting.
(f)	a statement to the effect that the allotment, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.	The allotment of ordinary shares under the Share Subscriptions, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.

	Rule 16, Takeovers Code	Compliance Information
(g)	a statement by the allottee setting out particulars of any agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the code company in respect of the matters referred to in paragraphs (a) to (e) relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the code company.	<p>Debt Capitalisation Confirmation Letter: The Company and JJY have entered into a Debt Capitalisation Confirmation Letter dated 25 January 2017. This provides that the outstanding balance under JJY's loan to the Company (NZ\$1,077,619.22 including interest) will be offset against the amount due to the Company from Weihai under the JJY Subscription Agreement.</p> <p>Debt Capitalisation Confirmation Letter: The Company and YMCI have entered into a Debt Capitalisation Confirmation Letter dated 13 April 2017. This provides that the outstanding balance of YMCI's loan to the Company (NZ\$1,061,224) will be offset against the amount due to the Company from YMCI under the YMCI Subscription Agreement.</p> <p>The YMCI Subscription Agreement and the JJY Subscription Agreement are otherwise described above in this Notice of Meeting.</p> <p>Other than as set out above, there is no other agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between the allottee and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.</p>
(h)	the report from an independent adviser that complies with rule 18.	The Independent Report from Simmons Corporate Finance Limited accompanies this Notice of Meeting.
(i)	the statement by the directors of the Code company referred to in rule 19.	The non-interested director of the Company recommends approval of Resolution 1 for the reasons set out in the section entitled " <i>Directors Recommendation</i> " below.

* Calculated excluding any shares to be allotted under the Underwriting Agreement which will occur at a later time.

	Rule 16, Takeovers Code	Compliance Information
(a)	the identity of the allottee and, if different from the allottee, the identity of any person who will become a controller of an increased percentage of voting securities in the code company as a result of the allotment or allotments.	<p>CIHL</p> <p>Graeme Keith Jackson will become the controller of an increased percentage of voting securities as result of the allotment to CIHL.</p>
(b)	<p>particulars of the voting securities for the purposes of rule 16(b)(ii) are:</p> <p>(i) the maximum number of voting securities that could be allotted (the approved maximum number) to the allottee; and</p>	CIHL may be allotted up to 61,032,258 shares under the CIHL Underwriting Agreement.

	Rule 16, Takeovers Code	Compliance Information
	(ii) the percentage of the aggregate of all existing voting securities and all voting securities being allotted that that the approved maximum number represents; and	11.08%
	(iii) the maximum percentage of all voting securities that could be held or controlled by the allottee after completion of the allotment; and	21.03%
	(iv) the maximum aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee's associates after completion of the allotment (not including voting securities of any of the allottee's associates who are also relying on rule 7(d) in relation to the allotment (the relying associates)); and	CIHL / Graeme Keith Jackson – 29.35%
	(v) if there are relying associates, the maximum aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee's associates after completion of the allotment; and	N/A
	(vi) the date used to determine the information referred to in this clause (the calculation date); and	30 June 2017
	(vii) the assumptions on which the particulars in paragraphs (i) to (vi) are calculated.	<ul style="list-style-type: none"> ▪ the number of voting securities is the number of voting securities on issue on the calculation date; ▪ there is no change in the total number of voting securities on issue between the calculation date and the end of the allotment period (other than as a result of the allotment); ▪ in relation to paragraphs (b)(i) to (b)(iii), the allottee is allotted the approved maximum number under the allotment; ▪ in relation to paragraph (b)(iv), the allottee and each of the allottee's associates (not including the relying associates) are allotted the maximum number of voting securities; ▪ the Company does not buy back any shares in the Company during the 12 month period following the shareholders meeting; ▪ Completion has occurred immediately prior to the calculation date; and ▪ That no shareholders subscribe under the SPP and no sub-underwriters are appointed resulting in CIHL subscribing for all of the shares that are subject to the Underwriting Agreement.
(c)	not applicable	

	Rule 16, Takeovers Code	Compliance Information
(d)	the issue price for the voting securities to be allotted and when it is payable.	\$0.0775 per share. Payment of the issue price by CIHL will be satisfied after allotment under the SPP (estimated at August 2017) and on or before the date that is one year following the date of this Meeting.
(e)	the reasons for the allotment.	To raise new capital for the purpose of funding the business plans of the Company, in particular the growth of the Esquires Coffee store chain, and retire and capitalise (where applicable) debt of the Company as is further described in this Notice of Meeting.
(f)	a statement to the effect that the allotment, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.	The allotment of ordinary shares under the CIHL Subscription, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.
(g)	a statement by the allottee setting out particulars of any agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the code company in respect of the matters referred to in paragraphs (a) to (e) relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the code company.	<p>CIHL Regulation Agreement: CIHL is party to a Regulation Agreement that governs the operation of CIHL. That agreement provides that CIHL holds the Company's shares on bare trust for the CIHL Investors and that all economic rights associated with the shares rest with the CIHL Investors. On written notice, CIHL Investors may sell their beneficial interest in the shares during the term of the regulation agreement. While CIHL holds the shares the voting rights associated with the shares may be exercised by the sole director of CIHL, Graeme Keith Jackson.</p> <p>The Underwriting Agreement is otherwise described above in this Notice of Meeting.</p> <p>Other than as set out above, there is no other agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between the allottee and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.</p>
(h)	the report from an independent adviser that complies with rule 18.	The Independent Report from Simmons Corporate Finance Limited accompanies this Notice of Meeting.
(i)	the statement by the directors of the Code company referred to in rule 19.	The non-interested director of the Company recommends approval of Resolution 1 for the reasons set out in the section entitled " <i>Directors Recommendation</i> " below.

RESOLUTION 2 – Listing Rules

Listing Rules 7.5.1 – Buybacks of Securities Affecting Control

Listing Rule 7.5.1 provides that no acquisition of securities shall be made by the Company (without shareholder approval) if there is a significant likelihood that the acquisition will result in any person or group of associated persons materially increasing their ability to exercise, or direct the exercise of (either then or at any future time) effective control of the Company. This Listing Rule applies where that person or group of associated persons is

entitled before the acquisition to direct the exercise of not less than 1% of the total votes attaching to securities of the Company and, together will have the ability to block ordinary resolutions.

Assuming that:

- Resolution 1 is passed;
- No shareholders apply for shares under the SPP; and
- CIHL does not appoint any sub-underwriters,

JJY, YMCI, and CIHL (and their respective associated persons) will hold or control shares in the Company as follows:

Party	Shareholding	Shareholding Percentage (%)
JJY / Weihai	148,203,944	27.16%
YMCI	100,719,640	18.46%
CIHL / Graeme Keith Jackson	154,269,440	28.27%

However, at the time that Completion occurs shares will be issued only to Weihai and YMCI. CIHL (or sub-underwriters) will be issued shares only as the issue price for shares is paid under the terms of the Underwriting Agreement. This may occur at any times following the allotment date of the SPP and until on or before the date that is one year following the date of this Meeting. The flow of share issues and how the Buyback Programme may impact these is demonstrated below:

Shareholder & Associates	Current Shares Held	Shareholding %	Shares held post-Completion*	Shareholding %	Buyback Programme %**	Shares held post Underwrite Agreement***	Shareholding %	Buyback Programme %**
JJY	103,330,704	24.80	103,330,704	21.322	22.240	103,330,704	18.937	19.658
Weihai	-	-	44,873,240	9.260	9.658	44,873,240	8.224	8.537
JJY / Weihai Total	103,330,704	24.80	148,203,944	30.582	31.898	148,203,944	27.161	28.195
CIHL	53,700,683	12.89	53,700,683	11.081	11.558	114,732,941	21.027	21.827
Keith Jackson (Tasman & Nikau Trust)	39,536,499	9.49	39,536,499	8.158	8.510	39,536,499	7.246	7.522
CIHL / Keith Jackson Total	93,237,182	22.38	93,237,182	19.240	20.068	154,269,440	28.273	29.349
YMCI	77,577,227	18.62	100,719,640	20.784	21.678	100,719,640	18.459	19.161
YMCI Total	77,577,227	18.62	100,719,640	20.784	21.678	100,719,640	18.459	19.161
TOTAL	274,145,113	65.81	342,160,766.00	70.605	73.644	403,193,024	73.893	76.705

* Completion means the allotment of shares under Resolution 1 to JJY and YMCI but no share issuances under the Underwriting Agreement.

** Change in shareholding percentage if 20 million shares acquired under the Buyback Programme.

*** Assumes no sub-underwriters or applications for shares under the SPP and that CIHL takes up the full Underwriting Amount.

Please refer to the Takeovers Code disclosures below for details on the maximum control percentage that any of JJY, YMCI and CIHL (together with their respective associated persons) may hold at any time if the Buyback Programme is approved and fully utilised.

Please refer to section 3.6 of the Independent Report for an assessment of the impact on the Company's control on shareholders as a consequence of the Buyback Programme.

Resolution 2 – Takeovers Code

The Code is relevant to buybacks by Code companies (which includes the Company) due to the “fundamental rule”, rule 6(1) of the Code, that a person who holds or controls 20% or more of the voting rights in a code company may not become the holder or controller of an increased percentage of the voting rights in the code company except through a permitted Code procedure. Although shareholders in CGF would not acquire any more shares as a result of the buyback, shareholders who are (together with their associates) near to or over the

20% threshold may have their control percentage increased through a concentration of the number of shares on issue.

A permitted procedure under the Takeovers Code (Class Exemptions) Notice (No 2) 2001 is that the Company's shareholders (with the exception of shareholders relying on the exemption and those shareholders associates), approve the Buyback Programme which may result in specified shareholders increasing their control. Resolution 2 seeks such an approval.

	Clause 3, Schedule 1, Takeovers Code (Class Exemptions) Notice (No 2) 2001	Compliance Information
(a)	Full particulars of the buyback	Outlined on page 9 of the explanatory notes.
(b)	A statement of the name of person P	Subject to Resolution 1 passing and Completion occurring: JJY (together with its associate Weihai) YMCI CIHL (together with its associates Graeme Keith Jackson, Patricia Frances Jackson, Philip Mack Picot and Tasman Capital Limited)
(c)	The following particulars of the voting securities that may, if the resolution is carried, be acquired by the Company under the buyback:	20 million ordinary shares.
	(i) the maximum number (the approved maximum number) of its own voting securities that the Company could acquire under the buyback:	
	(ii) the percentage of all voting securities on issue that the approved maximum number represents:	4.80% of all voting securities as at the date of this Notice of Meeting. 4.12% of all voting securities as at immediately following Completion. 3.66% of all voting securities once the Underwriting Agreement has been fulfilled.
	(iii) the maximum percentage (the approved maximum percentage) of all voting securities on issue that person P could hold or control if the Company acquired the approved maximum number of voting securities:	JJY – 22.24% YMCI 21.68% CIHL – 21.83%
	(iv) the maximum percentage of all voting securities on issue that person P and person P's associates, excluding person P's exempt associates, could hold or control, in aggregate, if the Company acquired the approved maximum number of voting securities:	JJY and associate – 31.90% YMCI – 21.68% CIHL and associates – 29.35%
(v) the maximum percentage of all voting securities on issue that person P and all person P's associates could hold or control, in aggregate, if the Company acquired the approved maximum number of voting securities:	JJY and associate – 31.90% YMCI – 21.68% CIHL and associates – 29.35%	

(d)	the consideration for the buyback, or the manner in which the consideration will be determined, and when it will be payable:	<p>The Company will pay the prevailing market price for the shares at the time of the purchase.</p> <p>No maximum price is specified for shares bought on-market, but the Company will always disclose the number of shares, and the price at which it bought them forthwith, in accordance with the Listing Rules.</p>
(e)	the reasons for the buyback:	The Buyback Programme provides flexibility for the Board to respond at times when it considers the market price of the Company's shares is lower than is justified by the underlying value of the Company's assets.
(f)	a statement to the effect that the increase in person P's voting control that would result from the buyback would, if approved, be permitted as an exception to rule 6(1) of the Code in reliance on the buyback exemption in clause 4 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001:	Clause 4 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001 (the Exemption Notice) permits JJY, YMCI and CIHL (and their respective associates) to retain any increase in respective voting rights resulting from the Buyback Programme as an exception to rule 6(1) of the Code.
(g)	the report from an independent adviser that complies with rule 18:	The Independent Report from Simmons Corporate Finance Limited accompanies this notice of meeting.
(h)	the statement by the directors of the Code company referred to in rule 19:	The non-interested directors of the Company recommend approval of the Resolutions for the reasons set out in the section entitled " <i>Directors Recommendation</i> " below.

<p>(i)</p>	<p>the assumptions on which the particulars referred to in paragraph (c) are based, which must include the assumptions referred to in clause 4:</p>	<p>The following assumptions are applied when determining the percentages above:</p> <p>In respect of JJY (and its associate) and YMCI, the number of voting securities in the Company is the number of voting securities on issue immediately following Completion.</p> <p>In respect of CIHL (and its associates):</p> <ul style="list-style-type: none"> ▪ The number of voting securities in the Company is the number of voting securities on issue following Completion and the fulfilment of CIHL’s obligations under the Underwriting Agreement. ▪ CIHL does not appoint any sub-underwriters to fulfil the obligations of CIHL under the Underwriting Agreement. ▪ That no shareholder of the Company lodges a valid application for shares under the SPP. <p>In respect of JJY, YMCI and CIHL (and their respective associates) that:</p> <ul style="list-style-type: none"> ▪ There is no change in the total number of voting securities on issue following completion of the Share Subscriptions and the conclusion of the Buyback Programme. ▪ None of JJY, YMCI or CIHL (and their respective associates) disposes of any shares they hold in the Company. ▪ The Company acquires the 20 million of its own voting securities under the Buyback Programme.
<p>(j)</p>	<p>the calculation date.</p>	<p>Completion (in respect of JJY (and its associate) and YMCI).</p> <p>One year following the date of the Meeting (in respect of CIHL and its associates).</p>

Director Recommendation – Rule 19 of the Takeovers Code, clause 3 Schedule 1 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001 and Listing Rule 9.2.5(b)

The Director of the Company that is not interested in Resolutions 1 and 2:

1. recommends that shareholders vote in favour of Resolutions 1 and 2 for the purposes of the Takeovers Code and considers that the Share Subscriptions and Buyback Programme are in the best interests of the Company and shareholders; and
2. certifies that in his opinion the issue of the shares under the Share Subscriptions is fair and reasonable to shareholders of the Company and are in the best interests of the Company for the purposes of Listing Rule 9.2.5(b).

The grounds supporting this recommendation and certification are:

1. The Company has a need to raise new working capital in order to pursue its ongoing growth plans and retire debt. The Share Subscriptions secure up to \$10 million in new capital for the Company which significantly enhances the capital adequacy of the Company and allows the Company to fund ongoing growth opportunities to move towards positive operating cashflow.
2. JJY and YMCI are both trusted partners to the Company who have both previously demonstrated their financial commitment to the Company and desire to see the Company succeed in its business plans. Increases in their shareholding interests in the Company further aligns their interests with those of the Company's other shareholders.
3. YMCI and JJY are not considered to be associates. Individually they cannot control composition of the Board of the Company and are believed to be invested in the success of the Company from which all shareholders will benefit.
4. The Share Subscriptions will be undertaken at \$0.0775 per share. The Company will also conduct the Share Purchase Plan Offer at \$0.0775 per share. Accordingly all existing shareholders will have an opportunity to subscribe for shares at the same price as under the Share Subscriptions. The ability of CIHL to take up shares under the Underwriting Agreement is secondary to the rights of other shareholders to first participate in the SPP.
5. The Board considers that the Company's shares may be undervalued from time to time and believes the Company having the flexibility to buy back shares when it considers that the shares are undervalued by the market is a positive way of improving shareholder value for remaining shareholders.
6. The Independent Report does on pages 12 and 24 consider that the positive aspects of the Share Subscriptions and the Buyback Programme (respectively) outweigh the negative aspects from the perspective of non-associated shareholders.



Andrew Malcolm Kerslake