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CPMC HOLDINGS LIMITED

中糧包裝控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 906)

TWO-PIECE CAN INVESTMENT PROJECT IN MID-EASTERN EUROPE

THE FRAMEWORK AGREEMENT

In view of the long-term development and strategic cooperation with its major international customers, and the Group's existing international operation and management experience in the Belgian plant, the Company is pleased to announce that it will set up its second aluminum two-piece can joint venture plant in Mid-Eastern Europe.

The signing of the Framework Agreement signified the Group's establishment of its second two-piece can company in Europe, which fills up the gap in the Group's market layout in Mid-Eastern Europe, effectively enhance the Group's production capacity and popularity in such area, further increase the Group's ability to provide supporting services to the surrounding customers. At the same time, the implementation of this project will optimize the Group's market layout in Europe and form a synergy effect with the Group's Belgian plant in Western Europe, and thereby enhance the overall competitiveness and investment return under the Group's overseas strategy.

The Board hereby announces that on 12 January 2023, COFCO Packaging (a wholly-owned subsidiary of the Company), Haoneng (HK) and ORG Development entered into the Framework Agreement, pursuant to which the parties agreed to incorporate the JV Company in Hong Kong with a registered capital of Euro 22.3 million, among which COFCO Packaging, Haoneng (HK) and ORG Development will contribute Euro 8.92 million, Euro 6.69 million and Euro 6.69 million, respectively.

Upon incorporation of the JV Company, it will be owned as to 40%, 30% and 30% by COFCO Packaging, Haoneng (HK) and ORG Development, respectively. The JV Company will not become a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ORG Development is a subsidiary of ORG Technology, a substantial shareholder of the Company which interested in 271,667,200 Shares, representing approximately 24.40% equity interest in the Company, therefore ORG Development is a connected person of the Company. Haoneng (HK) is a subsidiary of Jiaxing Haoneng, which owns 49% equity interest in Benepack, a 51%-owned subsidiary of the Company, therefore Haoneng (HK) is a connected person of the Company at subsidiary level. Accordingly, the Framework Agreement and the transaction thereunder constitute connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) in respect of the transaction under the Framework Agreement is more than 0.1% but less than 5%, the transaction under the Framework Agreement is subject to the reporting and announcement but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE FRAMEWORK AGREEMENT

The Board hereby announces that on 12 January 2023, COFCO Packaging (a wholly-owned subsidiary of the Company), Haoneng (HK) and ORG Development entered into the Framework Agreement, principal terms of which are set out as follows:

Date	:	12 January 2023
Party	:	COFCO Packaging; Haoneng (HK); and ORG Development
Business of the JV Company	:	The JV Company will be an investment holding company. It will principally engage in investment and construction of the production system for metal packaging products in the mid-eastern region of Europe.

Capital contribution : The parties agreed to incorporate the JV Company in Hong Kong with a registered capital of Euro 22.3 million, which shall be contributed by the parties in cash within one year from the incorporation date of the JV Company as follows:

	Capital Contribution (Euro million)	Percentage of shareholding in the JV Company
COFCO Packaging	8.92	40%
Haoneng (HK)	6.69	30%
ORG Development	6.69	30%
Total:	22.30	100%

Upon incorporation of the JV Company, it will be owned as to 40%, 30% and 30% by COFCO Packaging, Haoneng (HK) and ORG Development, respectively. The JV Company will not become a subsidiary of the Company.

Preliminary work : The parties jointly authorized and entrusted COFCO Packaging and its team to carry out the preliminary work in relation to the establishment of the JV Company. The expenses incurred for the aforesaid works shall be bore by the JV Company (i.e. will be bore by the parties indirectly in proportion to their capital contribution in the JV Company).

Corporate governance : Unless otherwise required by the relevant laws of Hong Kong, all resolutions at the shareholders' meeting of the JV Company shall be voted on by poll, and each shareholder shall have voting rights equal to the number of shares it held in the JV Company.

The board of directors of the JV Company consists of 7 members, each of COFCO Packaging, Haoneng (HK) and ORG Development may nominate 3 directors, 2 directors and 2 directors, respectively. The chairman of the board will be determined by all parties through negotiation.

- Profit and loss sharing** : Each of the shareholders of the JV Company shall be entitled to or liable for the profit or loss of the JV Company proportional to their contributed registered capital.
- Future Financing** : In the event the JV Company has any capital expenditure or working capital needs in future, such financing need may be fulfilled by borrowings by the JV Company, and/or provision of loan from Shareholder(s), etc. subject to further agreement among the parties by then.
- Condition precedent** : Completion of the subject matter of the Framework Agreement is subject to, among others, obtaining of relevant approval from State Administration for Market Regulation of the PRC.

The amount of capital contribution was determined after arm's length negotiations among the parties to the Framework Agreement after having considered, among others, each party's shareholding in the JV Company, the capital requirement for the JV Company to carry out its business, such as acquisition of land for the production plant, design and construction of the plant, acquisition and installation of the equipment and machine for the production line, etc. The capital contribution by COFCO Packaging will be funded by the Group out of its internal resources and/or external borrowings.

Upon incorporation of the JV Company, it will be owned as to 40%, 30% and 30% by COFCO Packaging, Haoneng (HK) and ORG Development, respectively. The JV Company will not become a subsidiary of the Company.

INFORMATION OF PARTIES TO THE FRAMEWORK AGREEMENT

The Group and COFCO Packaging

The Group is principally engaged in the manufacturing of packaging products for consumer goods such as food, beverages and household chemical products in the PRC.

COFCO Packaging is limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. It is an investment holding company.

Haoneng (HK)

Haoneng (HK) is a limited company incorporated in Hong Kong which principally engages in investment. It is a wholly-owned subsidiary of Jiaxing Haoneng. Jiaxing Haoneng is a company incorporated in the PRC which principally engages in the provision of high-end beer labels, beverage and food packaging products to more than 200 customers in 26 countries around the world, with its leading position in domestic and global markets of beer labeling. It also owns 49% equity interest in Benepack, a 51%-owned subsidiary of the Company.

ORG Development

ORG Development is a limited company incorporated in Hong Kong which principally engages in project investment, investment management, asset management, investment consultation. It is a wholly-owned subsidiary of ORG Technology. ORG Technology is a company incorporated in the PRC whose shares are listed and traded on the Shenzhen Stock Exchange (Stock Code: 002701). It is a substantial shareholder of the Company and a leading enterprise in the packaging industry in the PRC. It principally engages in the comprehensive packaging services including packaging design, packaging production, filling and brand design and promotion.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

The signing of the Framework Agreement signified the Group's establishment of its second two-piece can company in Europe, which fills up the gap in the Group's market layout in Mid-Eastern Europe, effectively enhance the Group's production capacity and popularity in such area, further increase the Group's ability to provide supporting services to the surrounding customers. At the same time, the implementation of this project will optimize the Group's market layout in Europe and form a synergy effect with the Group's Belgian plant in Western Europe, and thereby enhance the overall competitiveness and investment return under the Group's overseas strategy.

The Directors (including all the independent non-executive Directors) consider that the terms of the Framework Agreement have been negotiated on an arm's length basis and on normal commercial terms, and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Messrs. Zhou Yuan and Shen Tao, all being Directors connected with ORG Packaging, have abstained from voting on the resolutions in respect of the Framework Agreement. Save as the Directors mentioned above, none of the Directors has other material interests in the Framework Agreement and is required to abstain from voting on the resolutions in relation thereto.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ORG Development is a subsidiary of ORG Technology, a substantial shareholder of the Company which interested in 271,667,200 Shares, representing approximately 24.40% equity interest in the Company, therefore ORG Development is a connected person of the Company. Haoneng (HK) is a subsidiary of Jiaxing Haoneng, which owns 49% equity interest in Benepack, a 51%-owned subsidiary of the Company, therefore Haoneng (HK) is a connected person of the Company at subsidiary level. Accordingly, the Framework Agreement and the transaction thereunder constitute connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) in respect of the transaction under the Framework Agreement is more than 0.1% but less than 5%, the transaction under the Framework Agreement is subject to the reporting and announcement but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“associates”	has the same meaning as ascribed thereto under the Listing Rules
“Benepack”	Benepack Belgium NV, a company incorporated in Belgium which is owed as to 51% and 49% by the Company and Jiaxing Haoneng, respectively
“Board”	the board of Directors
“COFCO Packaging”	COFCO Packaging (中糧包裝有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Company”	CPMC Holdings Limited (中糧包裝控股有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Framework Agreement”	the framework agreement entered into among COFCO Packaging, Haoneng (HK) and ORG Development on 12 January 2023 in relation to the formation of the JV Company
“Group”	the Company and its subsidiaries
“Haoneng (HK)”	Haoneng (HK) Limited (豪能(香港)有限公司), a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of Jiaxing Haoneng
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiaxing Haoneng”	嘉興市豪能科技股份有限公司 (Jiaxing Haoneng Technology Holdings Co., Ltd.*), a company incorporated in the PRC
“JV Company”	a joint venture company to be established in Hong Kong by COFCO Packing, Haoneng (HK) and ORG Development pursuant to the Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“ORG Development”	ORG Development Limited (奧瑞金發展有限公司), a company incorporated in Hong Kong with limited liability, and a subsidiary of ORG Technology
“ORG Technology”	奧瑞金科技股份有限公司(ORG Technology Co. Ltd.*), a company incorporated in the PRC, the shares of which are listed and traded on the Shenzhen Stock Exchange (Stock Code: 002701)

“PRC”	the People’s Republic of China, which, for the purpose of this announcement only, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
CPMC Holdings Limited
ZHANG Xin
Chairman and Executive Director

Hong Kong, 12 January 2023

As at the date of this announcement, the chairman of the Board and executive Director is Mr. Zhang Xin, the executive Director is Mr. Zhang Ye, the non-executive Directors are Dr. Zhao Wei, Messrs. Meng Fanjie, Zhou Yuan and Shen Tao, and the independent non-executive Directors are Messrs. Cheng Yuk Wo, Pun Tit Shan and Chen Jihua.

* *For identification purposes only*