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**HUARUI FENGQUAN
DEVELOPMENT LIMITED**

(incorporated in Hong Kong with limited liability)

**CPMC HOLDINGS LIMITED
中糧包裝控股有限公司**

(incorporated in Hong Kong with limited liability)

(Stock code: 906)

JOINT ANNOUNCEMENT

- (1) PRE-CONDITIONAL VOLUNTARY GENERAL CASH OFFER BY CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED ON BEHALF OF HUARUI FENGQUAN DEVELOPMENT LIMITED TO ACQUIRE ALL OF THE ISSUED SHARES IN THE COMPANY (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY HUARUI FENGQUAN DEVELOPMENT LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**
- (2) IRREVOCABLE UNDERTAKING BY MR ZHANG WEI**
- (3) POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING**
- (4) ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE**

Financial adviser to Huarui



THE HUARUI OFFER

Reference is made to the Possible Separate Offer Announcement and the announcements of the Company dated 11 January 2024, 6 February 2024, 6 March 2024, 5 April 2024 and 6 May 2024 regarding the Possible Separate Offer.

On 7 June 2024, Huarui notified the Company that it has a firm intention, subject to the satisfaction of the Pre-Conditions, through CSCI on behalf of Huarui, to make a voluntary conditional general cash offer to acquire all the Shares not already owned by Huarui and parties acting in concert with it on the following basis:

For each Huarui Offer Share HK\$7.21 in cash

If any dividend, other distribution or return of capital (whether in cash or in kind), declared, made or paid in respect of the Shares after the date of this joint announcement, Huarui reserves the right to reduce the Huarui Offer Price by all or any part of the amount or value of such dividend, other distribution or return of capital, in which case any reference in this joint announcement, the Huarui Offer Document or any other announcement or document to the Huarui Offer Price will be deemed to be a reference to the Huarui Offer Price as so reduced. As at the date of this joint announcement, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid and the Company does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of Huarui Offer.

Huarui reserves the right to revise the terms of the Huarui Offer in accordance with the Takeovers Code.

Confirmation of financial resources

Based on the published information of the Company, as at the date of this joint announcement, there are 1,113,423,000 Shares in issue. Save as disclosed above, there is no any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this joint announcement.

On the basis of the Huarui Offer Price of HK\$7.21 per Huarui Offer Share, the entire issued share capital of the Company is valued at HK\$8,027,779,830. Save for 269,341,200 held by ORG Development, 2,326,000 Shares held by Hubei ORG and 403,000 Shares held by CSCI Investment, neither Huarui nor any of the Huarui Concert Parties held any Shares. 841,352,800 Shares in issue will be subject to the Huarui Offer and the aggregate amount payable by Huarui under the Huarui Offer will be approximately HK\$6,066,153,688 on the assumption that the Huarui Offer is accepted in full and there is no change in the number of issued Shares from the date of this joint announcement up to the close of the Huarui Offer.

Huarui intends to finance the consideration payable under the Huarui Offer by external financing from Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong Branch.

CSCI, the financial adviser to Huarui, is satisfied that sufficient financial resources are available to Huarui to satisfy its payment obligations on full acceptance of the Huarui Offer in accordance with its terms.

Pre-Conditions to the Huarui Offer

The making of the Huarui Offer is subject to the satisfaction of the Pre-Conditions, being:

- (a) (1) the filing, registration or approval, as applicable, with or by (i) NDRC, (ii) MOFCOM and (iii) SAFE in relation to the Huarui Offer having been completed and/or obtained (where applicable) pursuant to the provisions of relevant laws and regulations in the PRC; and (2) the Shenzhen Stock Exchange having expressed that it has no further comment on the responses to its enquiry in respect of the material asset restructuring report (which will be published by Huarui Parent on the Shenzhen Stock Exchange pursuant to the MAR Measures, as the Huarui Offer will constitute a MAR of Huarui Parent, whose shares are listed on the Shenzhen Stock Exchange);
- (b) approval by the shareholders of Huarui Parent of the Huarui Offer and the transactions contemplated under the Huarui Offer which is conditional on the approval by the shareholders of Huarui Parent of the loans and guarantee proposed for the financing of the Huarui Offer at the general meeting of Huarui Parent as required under the laws, regulations and regulatory requirements of the CSRC and the Shenzhen Stock Exchange; and
- (c) the merger control filing in respect of the Huarui Offer having been approved by SAMR, which shall be without condition or with conditions that are not materially adverse to Huarui, and (if required) the filing with Commerce Commission of New Zealand having been completed in connection with the Huarui Offer.

Huarui shall use its best endeavours to take all necessary actions to procure the Pre-Conditions above to be fulfilled prior to the Pre-Conditions Long Stop Date. Huarui will make relevant applications necessary for obtaining the approvals and make relevant filings in relation to the Pre-Conditions as soon as practicable after the issue of this joint announcement. Further announcement(s) will be made by Huarui on the status of the Pre-Conditions and the Huarui Offer from time to time as and when appropriate.

All Pre-Conditions are incapable of being waived. If any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date, the Huarui Offer will not be made, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

Huarui will issue further announcement(s) as soon as practicable after the Pre-Conditions have been satisfied.

WARNING: THE PRE-CONDITIONS MUST BE SATISFIED BY THE PRE-CONDITIONS LONG STOP DATE BEFORE THE MAKING OF THE HUARUI OFFER. THE MAKING OF THE HUARUI OFFER IS THEREFORE A POSSIBILITY ONLY AND MAY OR MAY NOT BE MADE. ALL REFERENCES TO THE HUARUI OFFER IN THIS JOINT ANNOUNCEMENT ARE REFERENCES TO THE POSSIBLE HUARUI OFFER WHICH WILL BE IMPLEMENTED IF AND ONLY IF THE PRE-CONDITIONS ARE SATISFIED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

Conditions to the Huarui Offer

The Huarui Offer will be subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Huarui Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Huarui Offer Closing Date (or such later time and/or date as Huarui may decide, subject to the rules of the Takeovers Code) in respect of such number of Shares which would result in Huarui and Huarui Concert Parties collectively holding more than 50% of the voting rights of the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) save for any temporary suspension(s) or halt(s) of trading in the Shares for not more than ten(10) consecutive Business Days or suspension or halt(s) of trading in the Shares as a result of the Huarui Offer and no indication having been received on or before the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either the Huarui Offer or anything done or caused by or on behalf of Huarui or the Huarui Concert Parties;
- (c) no event having occurred or already existing (including any law, order, action, proceeding, suit or investigation instituted or taken by the Relevant Authorities) which would make the Huarui Offer or the acquisition of any of the Shares void, unenforceable, illegal, impracticable or would prohibit implementation of the Huarui Offer or impose any material and adverse conditions or obligations with respect to the Huarui Offer;

- (d) since the date of this joint announcement, there having been no material adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Huarui Offer); and
- (e) all necessary consents in connection with the Huarui Offer and/or (in the event that Huarui was to exercise the right to acquire compulsorily those Huarui Offer Shares not already owned or acquired by Huarui under the Huarui Offer) the possible withdrawal of the listing of the Shares from the Stock Exchange which may be required under any existing contractual or other obligations of the Group, joint ventures and controlled corporations of the Company having been obtained and remaining in effect.

As at the date of this joint announcement and based on information available to Huarui, Huarui is not aware of any applicable consents which are required under Condition (e).

Other than Condition (a), Huarui reserves the right to waive, in whole or in part, all or any of the Conditions set out above. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, Huarui may only invoke any of the Conditions, other than Condition (a) which is an acceptance condition, as a basis for not proceeding with the Huarui Offer if the circumstances which give rise to the right to invoke any of the Conditions are of material significance to Huarui in the context of the Huarui Offer.

If any of the Conditions is not satisfied or waived (as applicable) on or before the Conditions Long Stop Date, the Huarui Offer will lapse, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

Pursuant to Rule 15.3 of the Takeovers Code, Huarui must publish an announcement when the Huarui Offer becomes unconditional as to acceptances and when the Huarui Offer becomes unconditional in all respects. The Huarui Offer must also remain open for acceptance for not less than 14 days after it becomes or is declared unconditional (whether as to acceptances or in all respects). Shareholders are reminded that Huarui does not have any obligation to keep the Huarui Offer open for acceptance beyond this 14-day period.

WARNING: COMPLETION OF THE HUARUI OFFER IS SUBJECT TO THE CONDITIONS BEING FULFILLED OR WAIVED (AS APPLICABLE). THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE HUARUI OFFER WILL BE COMPLETED. THE HUARUI OFFER, IF MADE, MAY OR MAY NOT BECOME UNCONDITIONAL AND WILL LAPSE IF IT DOES NOT BECOME UNCONDITIONAL. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

THE IRREVOCABLE UNDERTAKING

On 6 June 2024, Mr. Zhang Wei (who holds 245,080,000 Shares, representing approximately 22.01% of the issued Shares as at the date of this joint announcement) and the Offeror entered into the Irrevocable Undertaking, pursuant to which, among other things, Mr. Zhang Wei has unconditionally and irrevocably agreed and undertaken to accept the Huarui Offer in respect of the Relevant Shares prior to the last acceptance date of the Huarui Offer, and Mr. Zhang Wei has undertaken not to withdraw such acceptance.

The Irrevocable Undertaking will be terminated immediately upon (i) the Huarui Offer having lapsed, been withdrawn or closed, (ii) the Pre-Conditions not having been satisfied on or before the Pre-Conditions Long Stop Date, (iii) if any person (other than Huarui) makes an offer to acquire the Shares at an offer price higher than the Huarui Offer Price, (iv) Huarui fails to complete the acquisition of the Relevant Shares within 6 months from the date of the Irrevocable Undertaking, or (v) the written consent of the Offeror and Mr. Zhang Wei, whichever is earlier.

Shareholders and potential investors should note that the Irrevocable Undertaking will be terminated upon occurrence of any of the above events, for example when the Huarui Offer is not yet made by the end of such 6-month period (i.e. 5 December 2024), which is before the Pre-Conditions Long Stop Date.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF SHARES

If Huarui acquires not less than 90% of the Huarui Offer Shares (as required by Section 693 of the Companies Ordinance) and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, Huarui intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares not acquired by Huarui under the Huarui Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be held as to 100% by Huarui and Huarui Concert Parties and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with the Listing Rules.

Whilst it is the intention of Huarui to privatise the Company, Huarui's ability to exercise rights of compulsory acquisition in respect of the Huarui Offer Shares is dependent on the level of acceptance of the Huarui Offer and acquisitions reaching the prescribed level under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Huarui Offer Shares validly tendered for acceptance under the Huarui Offer and otherwise acquired are less than 90% of the Huarui Offer Shares or less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, the Shares will remain listed on the Main Board of the Stock Exchange.

If less than 25% of the issued Shares (being the minimum public float applicable to the Company) are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in the public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is attained. In that case, Huarui will take such steps as are necessary to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Huarui Offer Independent Board Committee, comprising all independent non-executive Directors, being Mr. Cheng Yuk Wo, Mr. Pun Tit Shan and Mr. Chen Jihua, to advise the Disinterested Shareholders in respect of the terms of the Huarui Offer and as to acceptance of the Huarui Offer. Taking into account that Mr. Zhou Yuan and Mr. Shen Tao (both are non-executive Directors) are directors of Huarui and Huarui Parent and Dr. Zhao Wei and Mr. Meng Fanjie (both are non-executive Directors) serving certain positions in COFCO, and China Foods (a wholly owned subsidiary of COFCO) has given the COFCO Irrevocable Undertaking to Champion in relation to the Champion Offer, each of Mr. Zhou Yuan, Mr. Shen Tao, Dr. Zhao Wei and Mr. Meng Fanjie is not considered as independent for the purpose of giving advice or recommendations to the Disinterested Shareholders despite China Foods is not acting in concert with Huarui and Champion.

The Huarui Offer Independent Financial Adviser will be appointed by the Company with the approval of the Huarui Offer Independent Board Committee to advise the Huarui Offer Independent Board Committee in respect of the Huarui Offer. A further announcement will be made as soon as practicable after the Huarui Offer Independent Financial Adviser has been appointed.

HUARUI OFFER DOCUMENT

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, Huarui is required to despatch an offer document in relation to the Huarui Offer and the Company is required to send to the Shareholders within 14 days of the posting of the offer document a response circular containing, among other things, financial information of the Company and other information required under the Takeovers Code. It is the intention of Huarui and the Company that the offer document and the offeree board circular in respect of the Huarui Offer be combined in the Huarui Offer Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Huarui Offer is subject to the prior fulfilment or waiver (as the case may be) of the Pre-Conditions and the Pre-Conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. It is expected that the Huarui Offer Document enclosing the Form of Acceptance will be despatched to Shareholders within seven days after the satisfaction of the Pre-Conditions or 13 January 2025 (being seven days after the Pre-Conditions Long Stop Date), whichever is earlier. Huarui will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code to permit the Huarui Offer Document to be posted within the timeframe described above.

WARNINGS: THE PRE-CONDITIONS MUST BE SATISFIED BY THE PRE-CONDITIONS LONG STOP DATE BEFORE THE MAKING OF THE HUARUI OFFER. THE MAKING OF THE HUARUI OFFER IS THEREFORE A POSSIBILITY ONLY AND MAY OR MAY NOT BE MADE.

COMPLETION OF THE HUARUI OFFER IS SUBJECT TO THE CONDITIONS BEING FULFILLED OR WAIVED (AS APPLICABLE). THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE HUARUI OFFER WILL BE COMPLETED.

SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR PROFESSIONAL STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

THE HUARUI OFFER

Reference is made to the Possible Separate Offer Announcement and the announcements of the Company dated 11 January 2024, 6 February 2024, 6 March 2024, 5 April 2024 and 6 May 2024 regarding the Possible Separate Offer.

On 7 June 2024, Huarui notified the Company that it has a firm intention, subject to the satisfaction of the Pre-Conditions, through CSCI on behalf of Huarui, to make a voluntary conditional general cash offer to acquire all the Shares not already owned by Huarui and parties acting in concert with it on the following basis:

For each Huarui Offer ShareHK\$7.21 in cash

If any dividend, other distribution or return of capital (whether in cash or in kind), declared, made or paid in respect of the Shares after the date of this joint announcement, Huarui reserves the right to reduce the Huarui Offer Price by all or any part of the amount or value of such dividend, other distribution or return of capital, in which case any reference in this joint announcement, the Huarui Offer Document or any other announcement or document to the Huarui Offer Price will be deemed to be a reference to the Huarui Offer Price as so reduced. As at the date of this joint announcement, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid and the Company does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of Huarui Offer.

Huarui reserves the right to revise the terms of the Huarui Offer in accordance with the Takeovers Code.

The Huarui Offer will be made in compliance with the Takeovers Code. The Shares to be acquired under the Huarui Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, pre-emptive rights and any other third-party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the Huarui Offer Closing Date.

Pre-Conditions to the Huarui Offer

The making of the Huarui Offer is subject to the satisfaction of the Pre-Conditions, being:

- (a) (1) the filing, registration or approval, as applicable, with or by (i) NDRC, (ii) MOFCOM and (iii) SAFE in relation to the Huarui Offer having been completed and/or obtained (where applicable) pursuant to the provisions of relevant laws and regulations in the PRC; and (2) the Shenzhen Stock Exchange having expressed that it has no further comment on the responses to its enquiry in respect of the material asset restructuring report (which will be published by Huarui Parent on the Shenzhen Stock Exchange pursuant to the MAR Measures, as the Huarui Offer will constitute a MAR of Huarui Parent, whose shares are listed on the Shenzhen Stock Exchange);
- (b) approval by the shareholders of Huarui Parent of the Huarui Offer and the transactions contemplated under the Huarui Offer which is conditional on the approval by the shareholders of Huarui Parent of the loans and guarantee proposed for the financing of the Huarui Offer at the general meeting of Huarui Parent as required under the laws, regulations and regulatory requirements of the CSRC and the Shenzhen Stock Exchange; and

- (c) the merger control filing in respect of the Huarui Offer having been approved by SAMR, which shall be without condition or with conditions that are not materially adverse to Huarui, and (if required) the filing with Commerce Commission of New Zealand having been completed in connection with the Huarui Offer.

Huarui shall use its best endeavours to take all necessary actions to procure the Pre-Conditions above to be fulfilled prior to the Pre-Conditions Long Stop Date. Huarui will make relevant applications necessary for obtaining the approvals and make relevant filings in relation to the Pre-Conditions as soon as practicable after the issue of this joint announcement. Further announcement(s) will be made by Huarui on the status of the Pre-Conditions and the Huarui Offer from time to time as and when appropriate.

All Pre-Conditions are incapable of being waived. If any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date, the Huarui Offer will not be made, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

On the date of this joint announcement, Huarui Parent published the MAR Proposal and certain announcements (the “**A Shares Announcements**”) in connection with the transactions as contemplated under the Huarui Offer on the Shenzhen Stock Exchange for the purpose of compliance with the relevant requirements under the MAR Measures and other relevant rules of the CSRC and the Shenzhen Stock Exchange. The MAR Proposal and the A Shares Announcements are published in Chinese on the website of the Shenzhen Stock Exchange (www.szse.cn).

Huarui will issue further announcement(s) as soon as practicable after the Pre-Conditions have been satisfied.

WARNING: THE PRE-CONDITIONS MUST BE SATISFIED BY THE PRE-CONDITIONS LONG STOP DATE BEFORE THE MAKING OF THE HUARUI OFFER. THE MAKING OF THE HUARUI OFFER IS THEREFORE A POSSIBILITY ONLY AND MAY OR MAY NOT BE MADE. ALL REFERENCES TO THE HUARUI OFFER IN THIS JOINT ANNOUNCEMENT ARE REFERENCES TO THE POSSIBLE HUARUI OFFER WHICH WILL BE IMPLEMENTED IF AND ONLY IF THE PRE-CONDITIONS ARE SATISFIED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

Conditions to the Huarui Offer

The Huarui Offer will be subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Huarui Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Huarui Offer Closing Date (or such later time and/or date as Huarui may decide, subject to the rules of the Takeovers Code) in respect of such number of Shares which would result in Huarui and Huarui Concert Parties collectively holding more than 50% of the voting rights of the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) save for any temporary suspension(s) or halt(s) of trading in the Shares for not more than ten(10) consecutive Business Days or suspension or halt(s) of trading in the Shares as a result of the Huarui Offer and no indication having been received on or before the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either the Huarui Offer or anything done or caused by or on behalf of Huarui or the Huarui Concert Parties;
- (c) no event having occurred or already existing (including any law, order, action, proceeding, suit or investigation instituted or taken by the Relevant Authorities) which would make the Huarui Offer or the acquisition of any of the Shares void, unenforceable, illegal, impracticable or would prohibit implementation of the Huarui Offer or impose any material and adverse conditions or obligations with respect to the Huarui Offer;
- (d) since the date of this joint announcement, there having been no material adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Huarui Offer); and
- (e) all necessary consents in connection with the Huarui Offer and/or (in the event that Huarui was to exercise the right to acquire compulsorily those Huarui Offer Shares not already owned or acquired by Huarui under the Huarui Offer) the possible withdrawal of the listing of the Shares from the Stock Exchange which may be required under any existing contractual or other obligations of the Group, joint ventures and controlled corporations of the Company having been obtained and remaining in effect.

As at the date of this joint announcement and based on information available to Huarui, Huarui is not aware of any applicable consents which are required under Condition (e).

Other than Condition (a), Huarui reserves the right to waive, in whole or in part, all or any of the Conditions set out above. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, Huarui may only invoke any of the Conditions, other than Condition (a) which is an acceptance condition, as a basis for not proceeding with the Huarui Offer if the circumstances which give rise to the right to invoke any of the Conditions are of material significance to Huarui in the context of the Huarui Offer.

If any of the Conditions is not satisfied or waived (as applicable) on or before the Conditions Long Stop Date, the Huarui Offer will lapse, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

Pursuant to Rule 15.3 of the Takeovers Code, Huarui must publish an announcement when the Huarui Offer becomes unconditional as to acceptances and when the Huarui Offer becomes unconditional in all respects. The Huarui Offer must also remain open for acceptance for not less than 14 days after it becomes or is declared unconditional (whether as to acceptances or in all respects). Shareholders are reminded that Huarui does not have any obligation to keep the Huarui Offer open for acceptance beyond this 14-day period.

WARNING: COMPLETION OF THE HUARUI OFFER IS SUBJECT TO THE CONDITIONS BEING FULFILLED OR WAIVED (AS APPLICABLE). THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE HUARUI OFFER WILL BE COMPLETED. THE HUARUI OFFER, IF MADE, MAY OR MAY NOT BECOME UNCONDITIONAL AND WILL LAPSE IF IT DOES NOT BECOME UNCONDITIONAL. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

THE IRREVOCABLE UNDERTAKING

On 6 June 2024, Mr. Zhang Wei (who holds 245,080,000 Shares, representing approximately 22.01% of the issued Shares as at the date of this joint announcement) and the Offeror entered into the Irrevocable Undertaking, pursuant to which, among other things, Mr. Zhang Wei has unconditionally and irrevocably agreed and undertaken to accept the Huarui Offer in respect of the Relevant Shares prior to the last acceptance date of the Huarui Offer, and Mr. Zhang Wei has undertaken not to withdraw such acceptance.

The Irrevocable Undertaking will be terminated immediately upon (i) the Huarui Offer having lapsed, been withdrawn or closed, (ii) the Pre-Conditions not having been satisfied on or before the Pre-Conditions Long Stop Date, (iii) if any person (other than Huarui) makes an offer to acquire the Shares at an offer price higher than the Huarui Offer Price, (iv) Huarui fails to complete the acquisition of the Relevant Shares within 6 months from the date of the Irrevocable Undertaking, or (v) the written consent of the Offeror and Mr. Zhang Wei, whichever is earlier.

Shareholders and potential investors should note that the Irrevocable Undertaking will be terminated upon occurrence of any of the above events, for example when the Huarui Offer is not yet made by the end of such 6-month period (i.e. 5 December 2024), which is before the Pre-Conditions Long Stop Date.

Possible compulsory acquisition and withdrawal of listing of Shares

If Huarui acquires not less than 90% of the Huarui Offer Shares (as required by Section 693 of the Companies Ordinance) and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, Huarui intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares not acquired by Huarui under the Huarui Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be held as to 100% by Huarui and Huarui Concert Parties and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with the Listing Rules.

Whilst it is the intention of Huarui to privatise the Company, Huarui's ability to exercise rights of compulsory acquisition in respect of the Huarui Offer Shares is dependent on the level of acceptance of the Huarui Offer and acquisitions reaching the prescribed level under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Huarui Offer Shares validly tendered for acceptance under the Huarui Offer and otherwise acquired are less than 90% of the Huarui Offer Shares or less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, the Shares will remain listed on the Main Board of the Stock Exchange.

Due to successive on-market acquisitions by one of the Shareholders, Mr. Zhang Wei, the public float of the Company has fallen below the minimum prescribed percentage of 25% as required by Rule 8.08 of the Listing Rules since 19 October 2021. As at the date of this joint announcement, the public float of the Company is approximately 23.02%.

If less than 25% of the issued Shares (being the minimum public float applicable to the Company) are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in the public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is attained. In that case, Huarui will take such steps as are necessary to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

Huarui Offer Price and comparison of value

The Huarui Offer Price of HK\$7.21 per Huarui Offer Share under the Huarui Offer represents:

- (a) a premium of approximately 4.9% over the offer price of HK\$6.87 per Share under the Champion Offer;
- (b) a premium of approximately 12.5% over the closing price of HK\$6.41 per Share as quoted on the Stock Exchange on the last trading day prior to the publication of the Possible Separate Offer Announcement;
- (c) a premium of approximately 4.9% over the closing price of HK\$6.87 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (d) a premium of approximately 6.8% over the average closing price of approximately HK\$6.75 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date;
- (e) a premium of approximately 5.7% over the average closing price of approximately HK\$6.82 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date;
- (f) a premium of approximately 5.8% over the average closing price of approximately HK\$6.81 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date; and
- (g) a premium of approximately 44.5% over the consolidated net asset value attributable to owners of the Company per Share of approximately RMB4.99 (equivalent to approximately HK\$5.51) as at 31 December 2023, calculated based on (i) the Group's consolidated net assets attributable to owners of the Company of approximately RMB5,555,226,000 as at 31 December 2023 as disclosed in the annual report of the Company published on 18 April 2024; (ii) 1,113,423,000 Shares in issue as at the date of this joint announcement; and (iii) the exchange rate of HK\$1:RMB0.90622, being the median exchange rate on 29 December 2023 as announced by the People's Bank of China.

Highest and lowest closing prices of the Shares

During the six-month period immediately prior to 12 December 2023 (being the commencement date of the Huarui Offer Period) up to and including the Last Trading Date, the highest closing price of Shares as quoted on the Stock Exchange was HK\$7.04 per Share on 26 February 2024, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$3.77 per Share on 27 June 2023.

Total consideration under the Huarui Offer

Based on the published information of the Company, as at the date of this joint announcement, there are 1,113,423,000 Shares in issue. Save as disclosed above, there is no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this joint announcement.

On the basis of the Huarui Offer Price of HK\$7.21 per Huarui Offer Share, the entire issued share capital of the Company is valued at HK\$8,027,779,830. Save for 269,341,200 held by ORG Development, 2,326,000 Shares held by Hubei ORG and 403,000 Shares held by CSCI Investment, neither Huarui nor any of the Huarui Concert Parties held any Shares. 841,352,800 Shares in issue will be subject to the Huarui Offer and the aggregate amount payable by Huarui under the Huarui Offer will be approximately HK\$6,066,153,688 on the assumption that the Huarui Offer is accepted in full and there is no change in the number of issued Shares from the date of this joint announcement up to the close of the Huarui Offer.

Confirmation of financial resources

Huarui intends to finance the consideration payable under the Huarui Offer by external financing from Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong Branch.

CSCI, the financial adviser to Huarui, is satisfied that sufficient financial resources are available to Huarui to satisfy its payment obligations on full acceptance of the Huarui Offer in accordance with its terms.

Information on Huarui

Huarui is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holdings activities. As at the date of this joint announcement, (a) Huarui is indirectly wholly owned by Huarui Consulting; (b) Huarui Consulting is owned as to 49.875% by Huarui Partnership, 50% by View Harmony Packaging and 0.125% by Huarui Parent; (c) Huarui Partnership is a limited liability partnership established in the PRC, the general partner of which is View Harmony Services, a wholly-owned subsidiary of Huarui Parent, and the limited partner of which is View Harmony Packaging; and (d) View Harmony Packaging is owned as to 95.83% by Huarui Parent and 4.17% by Suzhou SLAC.

Huarui Group is undergoing a corporate restructuring. Upon completion of the corporate restructuring, Huarui Partnership will cease to exist and Huarui will be indirectly wholly owned by Huarui Consulting which in turn is wholly owned by View Harmony Packaging which is owned as to 95.83% by Huarui Parent and 4.17% by Suzhou SLAC. It is expected that the corporate restructuring will be completed by end of August 2024.

Huarui Parent is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 002701). The single largest shareholder of Huarui Parent is Yuanlong Holdings which holds approximately 32.67% of the issued shares of Huarui Parent. Mr. Zhou is the beneficial owner of 78% equity interests in Yuanlong Holdings. In addition to Yuanlong Holdings, Mr. Zhou is also the beneficial owner of 80% equity interests in several companies which collectively hold approximately 0.70% of the total issued shares of Huarui Parent. Huarui Parent is a comprehensive packaging solution provider with a focus on brand planning, packaging design and manufacturing, filling services, and information-assisted marketing.

Reasons and benefits of the Huarui Offer

The Group is principally engaged in the manufacturing and sale of packaging products used for consumer goods such as food, beverages and household chemical products, extensively covering the packaging markets of tea beverages, carbonated beverages, fruit and vegetable beverages, beer, dairy products, household chemical products and other consumer goods. In addition, the Group provides comprehensive packaging solutions including high technological packaging design, printing, logistics and comprehensive customer services.

Huarui Parent is a leading provider on manufacturing and sale of packaging products. Huarui Parent has been a key shareholder of the Company since 2016. If the Huarui Offer shall become unconditional, Huarui will become the controlling shareholder of the Company after the completion of the Huarui Offer. It is the intention of Huarui to explore synergistic effects between the Huarui Group and the Group as further set out in the paragraphs headed “Intention of Huarui with regard to the Group” below.

The Huarui Offer Price of HK\$7.21 per Huarui Offer Share represents (a) a premium of approximately 4.9% over the offer price of HK\$6.87 per Share under the Champion Offer; and (b) a premium of approximately 4.9% over the closing price of HK\$6.87 per Share as quoted on the Stock Exchange on the Last Trading Day. The Huarui Offer provides an attractive opportunity for the Shareholders to realise their investment at a compelling premium to the prevailing market price of the Shares as well as the offer price under the Champion Offer.

Intentions of Huarui with regard to the Group

Upon completion of the Huarui Offer, the Company will become a subsidiary of Huarui Parent which is listed on the Shenzhen Stock Exchange. It is the intention of Huarui to explore synergistic effect between the Huarui Group and the Group through standardization and consolidation of the systems and management between Huarui Parent and the Group. Certain relevant disclosures in the MAR Proposal are extracted and summarised as follows:

Enhance the competitiveness of Chinese packaging enterprises and create a national brand in metal packaging

According to statistics from the China Packaging Federation, there are around 928 enterprises of the metal packaging industry with annual sales revenue of more than RMB20 million in China in 2023, but the level of large-scale production is lagging behind, and not many companies in China which can compete with international giants. In terms of operating scale, business scope, market value level, etc., Huarui Parent is an industry leader and the difference with international giants is relatively small.

Through the Huarui Offer, Huarui Parent and the Group can use their respective resources and advantages to jointly explore the market, develop domestic and overseas operations and production bases, thereby further developing the global industrial chain, value chain and logistics chain, and enhance the domestic reputation of Huarui Parent as well as the influence in the international market influence so as to build a national brand in metal packaging.

Consolidate main business, acquire strategic customers, and promote sustainable development

The Group and Huarui Group are both involved in the metal packaging industry. Through completion of the Huarui Offer, Huarui Parent intends to consolidate its main business, acquire strategic customers and promote sustainable development.

From the perspective of its main business, the Company is engaged in the production and sales of consumer packaging products. It mainly produces packaging products such as two-piece cans and single-piece cans, covering the packaging markets such as beverages, beer, and dairy products. Through the Huarui Offer, Huarui Parent will be able to further consolidate into the Huarui Group its main business of two-piece cans, three-piece beverage and milk powder cans, further enrich its domestic product lines of steel drums, aerosol cans, plastic packaging and other products, and introduce new profit growth points.

Huarui Parent will obtain complementary advantages with the Company in a number of areas such as technology, marketing, production capacity, and supply chain, and serve customers with different needs with differentiated positioning, thereby further attracting strategic customers, reducing dependence on single customers, and promoting sustainable development.

Although it is the intention of Huarui to explore possible synergistic effect, the Shareholders should note the following risk which has been disclosed in the MAR Proposal which is extracted and summarised as follows:

Possible business restructuring risk

After the completion of the Huarui Offer, Huarui Parent will enhance its marketing system, product matrix and customer resources, which may further reinforce its leading position in the industry and improve the operating performance of Huarui Parent. However, given there are a large amount of assets involved in the material assets restructuring and the keen competition in the metal packaging market, there will be a certain degree of uncertainty as to whether the Huarui Group and the Group could successfully exert synergy after the completion of the Huarui Offer. Huarui Parent intends to standardize the management of the Group in areas such as internal control establishment, financial management, human resources, corporate culture, technology research and development, etc., including establishing an integrated management system in accordance with the Huarui Parent's management standards, internal control and financial requirements. However, this may take some time for Huarui Parent to create synergistic effect in terms of production, sales, human resources, management, etc., and the impact on operating performance of Huarui Parent in the short term may not be as expected. Shareholders and potential investors are reminded to pay attention to such risk.

As at the date of this joint announcement, Huarui has no intention to discontinue the employment of any employees of the Group other than staff movements in the ordinary and usual course of business. Huarui will continue to consider how to develop the Group in a manner which best enhances efficiency and shareholder value and, in that regard, will consider reviewing and optimising its assets structure which will be dependent on a number of factors including market conditions, legal and regulatory requirements and its business needs.

Other terms of the Huarui Offer

The full terms and conditions of the Huarui Offer will be set out in the Huarui Offer Document and the Form of Acceptance.

Effect of accepting the Huarui Offer

By validly accepting the Huarui Offer, each Shareholder will sell to Huarui their tendered Huarui Offer Shares free from all liens, charges, encumbrances, pre-emptive rights and any other third-party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the record date of which is on or after the date on which the Huarui Offer is made, being the date of the despatch of the Huarui Offer Document.

Hong Kong stamp duty, taxation and independent advice

Seller's ad valorem stamp duty at the rate of 0.1% of (i) the value of the consideration arising on acceptances of the Huarui Offer payable by Huarui or (ii) if higher, the market value of the Huarui Offer Shares will be payable by the Shareholders who accept the Huarui Offer. The relevant amount of stamp duty payable by the Shareholders who accept the Huarui Offer will be deducted from the consideration payable to them under the Huarui Offer.

Huarui will bear buyer's ad valorem stamp duty in respect of acceptances of the Huarui Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the Shares in respect of which the Huarui Offer is accepted.

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Huarui Offer. It is emphasised that none of Huarui, CSCI and their respective directors, officers or associates or any other person involved in the Huarui Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Huarui Offer.

Overseas Shareholders

The making of the Huarui Offer to Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Shareholder who wishes to accept or take any other action in relation to the Huarui Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any issue, transfer or other taxes due from such Shareholder in such relevant jurisdictions.

Any acceptance by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to Huarui, the Company and their respective advisers (including CSCI) that all applicable laws and requirements have been complied with by such Shareholder and that the Huarui Offer can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

Settlement of consideration

Settlement of the consideration under the Huarui Offer will be made as soon as possible, but in any event within seven Business Days of (i) the date of receipt of a complete and valid acceptance in respect of the Huarui Offer or (ii) the Huarui Offer Unconditional Date, whichever is the later.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who validly accepts the Huarui Offer will be rounded up to the nearest cent.

Interests in Shares

The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately after the completion of the Huarui Offer (assuming that there is no change in the share capital of the Company since the date of this joint announcement and immediately after completion of the Huarui Offer and the Huarui Offer is fully accepted by the Shareholders):

Shareholders	As at the date of this joint announcement		Immediately after completion of the Huarui Offer	
	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>
Huarui and Huarui Concert Parties				
ORG Development (<i>Note 1</i>)	269,341,200	24.19%	269,341,200	24.19%
Hubei ORG (<i>Note 1</i>)	2,326,000	0.21%	2,326,000	0.21%
CSCI Investment (<i>Note 2</i>)	403,000	0.03%	403,000	0.03%
Huarui	<u>–</u>	<u>–</u>	<u>841,352,800</u>	<u>75.56%</u>
Sub-total	272,070,200	24.43%	1,113,423,000	100%
Substantial Shareholders				
China Foods (<i>Note 3</i>)	330,658,800	29.70%	–	–
Zhang Wei	<u>245,080,000</u>	<u>22.01%</u>	<u>–</u>	<u>–</u>
Sub-total	575,738,800	51.71%	–	–
Directors				
Zhang Ye (<i>Note 4</i>)	9,366,000	0.84%	–	–
Qu Hongliang (<i>Note 4</i>)	<u>300,000</u>	<u>0.03%</u>	<u>–</u>	<u>–</u>
Sub-total	9,666,000	0.87%	–	–
Other public Shareholders	<u>255,948,000</u>	<u>22.99%</u>	<u>–</u>	<u>–</u>
Total	<u>1,113,423,000</u>	<u>100.00%</u>	<u>1,113,423,000</u>	<u>100.00%</u>

Notes:

- (1) ORG Development and Hubei ORG hold 269,341,200 Shares and 2,326,000 Shares, respectively. ORG Development is wholly owned by ORG International. ORG International and Hubei ORG are wholly owned by Huarui Parent. Huarui Parent is owned as to approximately 32.67% by Yuanlong Holdings. Mr. Zhou is the beneficial owner of 78% equity interests in Yuanlong Holdings. In addition to Yuanlong Holdings, Mr. Zhou is the beneficial owner of 80% equity interests in several companies which collectively hold approximately 0.70% of the total issued shares of Huarui Parent. Therefore, Mr. Zhou is deemed to be beneficially interested in the Shares held by ORG Development and Hubei ORG.
- (2) CSCI is the financial adviser of Huarui in respect of the Huarui Offer. Accordingly, CSCI and CSCI Investment are presumed to be acting in concert with Huarui in respect of their shareholding in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code.
- (3) China Foods is a wholly owned subsidiary of COFCO (HK). China Foods and COFCO (HK) are wholly owned subsidiaries of COFCO, which is ultimately and beneficially owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. COFCO (HK) and COFCO are therefore deemed to be interested in the 330,658,800 Shares held by China Foods.
- (4) Each of Mr. Zhang Ye and Mr. Qu Hongliang is an executive Director as at the date of this joint announcement.
- (5) The percentage figures include in the table above have been subject to rounding adjustments. Any discrepancies in the table on total percentage above are due to rounding adjustments.

As at the date of this joint announcement:

- (a) save for 269,341,200 held by ORG Development, 2,326,000 Shares held by Hubei ORG and 403,000 Shares held by CSCI Investment and the Relevant Shares held by Mr. Zhang Wei which are subject to the Irrevocable Undertaking, neither Huarui nor Huarui Concert Parties owned or had control or direction over any voting rights, or rights over the Shares or convertible securities, warrants, options or any derivatives in respect of such securities;
- (b) save for the Irrevocable Undertaking, neither Huarui nor the Huarui Concert Parties has received any irrevocable commitment to accept or reject the Huarui Offer;
- (c) there is no existing holding of voting rights and rights over Shares in respect of which Huarui or any of the Huarui Concert Parties holds convertible securities, warrants or options;
- (d) there is no outstanding derivative in respect of securities in the Company entered into by Huarui or any of the Huarui Concert Parties;

- (e) save for the Irrevocable Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of Huarui or the Shares and which might be material to the Huarui Offer;
- (f) save as disclosed in the sections headed “Pre-Conditions to the Huarui Offer” and “Conditions to the Huarui Offer” in this joint announcement, there is no agreement or arrangement to which Huarui is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a Pre-Condition or a Condition;
- (g) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which Huarui or any of the Huarui Concert Parties has borrowed or lent; and
- (h) other than the Huarui Offer Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by Huarui or Huarui Concert Parties in connection with the Huarui Offer.

As at the date of this joint announcement, save for the Irrevocable Undertaking, Huarui confirms that there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii)(a) Huarui and any Huarui Concert Parties or (b) the Company, its subsidiaries or associated companies.

As at the date of this joint announcement, save for the Irrevocable Undertaking, there is no other understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) Huarui or any party acting in concert with it and (ii) Mr. Zhang Wei and any party acting in concert with him.

Save as disclosed below, neither Huarui nor the Huarui Concert Parties had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months preceding 12 December 2023 (being the commencement date of the Huarui Offer Period) and up to and including the date of this joint announcement:

Name	Date of transaction	Nature of dealings	No. of Shares involved	Transaction price per Share (HK\$)
CSCI Investment	11 August 2023	Sale	346,000	5.0409
	17 August 2023	Sale	100,000	5.2608
	18 August 2023	Sale	10,000	5.5
	21 August 2023	Sale	40,000	4.85
	22 August 2023	Sale	154,000	5.4481
	23 August 2023	Sale	100,000	5.7615
	12 September 2023	Sale	36,000	6.0231
	15 September 2023	Sale	260,000	5.9063
	18 September 2023	Sale	61,000	5.8997
	19 September 2023	Purchase	420,000	6.0086
	19 September 2023	Sale	139,000	5.867
	27 September 2023	Purchase	13,000	5.94
	10 November 2023	Purchase	20,000	5.2
	10 November 2023	Sale	338,000	5.817
	13 November 2023	Sale	35,000	5.9994
	16 November 2023	Purchase	323,000	6.3047
	7 December 2023	Sale	32,000	6.57
7 December 2023	Purchase	32,000	6.26	

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Huarui Offer Independent Board Committee, comprising all independent non-executive Directors, being Mr. Cheng Yuk Wo, Mr. Pun Tit Shan and Mr. Chen Jihua, to advise the Disinterested Shareholders in respect of the terms of the Huarui Offer and as to acceptance of the Huarui Offer. Taking into account that Mr. Zhou Yuan and Mr. Shen Tao (both are non-executive Directors) are directors of Huarui and Huarui Parent and Dr. Zhao Wei and Mr. Meng Fanjie (both are non-executive Directors) serve certain positions in COFCO, and China Foods (a wholly owned subsidiary of COFCO) has given the COFCO Irrevocable Undertaking to Champion in relation to the Champion Offer, each of Mr. Zhou Yuan, Mr. Shen Tao, Dr. Zhao Wei and Mr. Meng Fanjie is not considered as independent for the purpose of giving advice or recommendations to the Disinterested Shareholders despite China Foods is not acting in concert with Huarui and Champion.

The Huarui Offer Independent Financial Adviser will be appointed by the Company with the approval of the Huarui Offer Independent Board Committee to advise the Huarui Offer Independent Board Committee in respect of the Huarui Offer. A further announcement will be made as soon as practicable after the Huarui Offer Independent Financial Adviser has been appointed.

HUARUI OFFER DOCUMENT

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, Huarui is required to despatch an offer document in relation to the Huarui Offer and the Company is required to send to the Shareholders within 14 days of the posting of the offer document a response circular containing, among other things, financial information of the Company and other information required under the Takeovers Code. It is the intention of Huarui and the Company that the offer document and the offeree board circular in respect of the Huarui Offer be combined in the Huarui Offer Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Huarui Offer is subject to the prior fulfilment or waiver (as the case may be) of the Pre-Conditions and the Pre-Conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. It is expected that the Huarui Offer Document enclosing the Form of Acceptance will be despatched to Shareholders within seven days after the satisfaction of the Pre-Conditions, or 13 January 2025 (being seven days after the Pre-Conditions Long Stop Date), whichever is earlier. Huarui will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code to permit the Huarui Offer Document to be posted within the timeframe described above.

GENERAL

Information of the Group

The Company is a limited liability company incorporated in Hong Kong, and is an investment holding company. The Group is principally engaged in the manufacturing and sales of packaging products for consumer goods such as food, beverages and household chemical products in the PRC, extensively covering the packaging markets of tea beverages, carbonated beverages, fruit and vegetable beverages, beer, dairy products, household chemical products and other consumer goods. In addition, the Group provides comprehensive packaging solutions including high technological packaging design, printing, logistics and comprehensive customer services.

Financial Information of the Group

The following table is a summary of certain consolidated financial information of the Group for the financial year ended 31 December 2022 as extracted from the Company's annual report published on 18 April 2023 and the financial year ended 31 December 2023 as extracted from the Company's annual report published on 18 April 2024:

	For the year ended 31 December 2023 (RMB'000)	For the year ended 31 December 2022 (RMB'000)
Revenue	10,265,310	10,255,225
Profit before tax	626,292	596,093
Profit after tax	485,478	484,678

Based on the consolidated financial information of the Company as at 31 December 2023 as extracted from the Company's annual report published on 18 April 2024, the consolidated total assets and consolidated net assets attributable to the Shareholders were approximately RMB14,242,759,000 and RMB5,555,226,000, respectively.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, associates (including persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 to the Takeovers Code)) of the Company and Huarui are hereby reminded to disclose their dealings in Shares pursuant to the requirements of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Precautionary language regarding forward-looking statements

This joint announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of Huarui and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this joint announcement include statements about the expected effects on the Company, the expected timing and scope of the Huarui Offer, and all other statements in this joint announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Pre-Conditions or the Conditions, as well as additional factors, such as general, social, economic and political conditions in the countries in which Huarui and/or the Group operate or other countries which have an impact on Huarui and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which Huarui and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which Huarui and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which Huarui and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in operations due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to Huarui or persons acting on behalf of it are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the date of this joint announcement.

Any forward-looking statement contained in this joint announcement based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this joint announcement is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, Huarui expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

WARNINGS: THE PRE-CONDITIONS MUST BE SATISFIED BY THE PRE-CONDITIONS LONG STOP DATE BEFORE THE MAKING OF THE HUARUI OFFER. THE MAKING OF THE HUARUI OFFER IS THEREFORE A POSSIBILITY ONLY AND MAY OR MAY NOT BE MADE.

COMPLETION OF THE HUARUI OFFER IS SUBJECT TO THE CONDITIONS BEING FULFILLED OR WAIVED (AS APPLICABLE). THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE HUARUI OFFER WILL BE COMPLETED.

SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR PROFESSIONAL STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

DEFINITIONS

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

“acting in concert”	has the meaning given to it in the Takeovers Code
“associate(s)”	has the meaning given to it in the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Champion”	Champion Holding (BVI) Co., Ltd, a joint venture incorporated in the British Virgin Islands
“Champion Offer”	the pre-conditional voluntary general cash offer by Shenwan Hongyuan Capital (H.K.) Limited on behalf of Champion to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by Champion and parties acting in concert with it) in accordance with the Takeovers Code, with details of the Champion Offer as set out in the joint announcement of the Company and Champion dated 6 December 2023
“China Foods”	China Foods (Holdings) Limited, a limited liability company incorporated in the British Virgin Islands
“COFCO”	COFCO Corporation, a limited liability company established in the PRC
“COFCO (HK)”	COFCO (Hong Kong) Limited, a limited liability company incorporated in Hong Kong
“COFCO Irrevocable Undertaking”	the irrevocable undertaking to accept the Champion Offer dated 6 December 2023 given by China Foods to Champion as described in the section headed “The Irrevocable Undertaking” in the joint announcement of the Company and Champion dated 6 December 2023

“Company”	CPMC Holdings Limited, a limited liability company incorporated in Hong Kong, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 906)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended from time to time)
“Compulsory Acquisition Entitlement Period”	the period commencing on the date of this joint announcement and ending on the date falling four (4) months after the date of the Huarui Offer Document (or such later date as the SFC may permit for the requisite level of acceptances to be reached in order for Huarui to undertake compulsory acquisition)
“Conditions”	the conditions to the Huarui Offer, as set out under the section headed “Conditions to the Huarui Offer” in this joint announcement
“Conditions Long Stop Date”	in respect of Condition (a) (the acceptance condition), the date which is 60 calendar days after the posting of the Huarui Offer Document, and in respect of other Conditions, the date which is 21 days after the satisfaction of Condition (a), unless the date has been extended by Huarui with the consent of the Executive
“CSCI”	China Securities (International) Corporate Finance Company Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under SFO), being the financial adviser to Huarui
“CSCI Investment”	China Securities (International) Investment Company Limited, a limited liability company incorporated in Hong Kong
“CSRC”	China Securities Regulatory Commission of the PRC
“Directors”	director(s) of the Company
“Disinterested Share(s)”	all Shares other than those held by Huarui and the Huarui Concert Parties, being 841,352,800 Shares in issue

“Disinterested Shareholder(s)”	holder(s) of the Disinterested Share(s)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer in respect of the Huarui Offer accompanying the Huarui Offer Document
“Group”	the Company and its subsidiaries and “member of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huarui”	Huarui Fengquan Development Limited (華瑞鳳泉發展有限公司), a limited liability company incorporated in Hong Kong and indirectly non-wholly owned by Huarui Parent
“Huarui Concert Parties”	parties acting in concert with Huarui, including but not limited to, Huarui Parent, ORG Development and Hubei ORG
“Huarui Consulting”	Beijing Huarui Fengquan Management Consulting Co., Ltd* (北京市華瑞鳳泉管理諮詢有限公司), a company established in the PRC and indirectly non-wholly owned by Huarui Parent
“Huarui Group”	Huarui Parent and its subsidiaries
“Huarui Offer”	the pre-conditional voluntary general cash offer by CSCI on behalf of Huarui to acquire all of the issued Shares other than Shares held by Huarui and Huarui Concert Parties in accordance with the terms and conditions set out in the Huarui Offer Document, and any subsequent revision or extension of such offer
“Huarui Offer Closing Date”	the date to be stated in the Huarui Offer Document as the first offer closing date of the Huarui Offer or any subsequent offer closing date of the Huarui Offer as may be extended or revised in accordance with the Takeovers Code

“Huarui Offer Document”	the composite offer and response document expected to be jointly issued by Huarui and the Company in connection with the Huarui Offer in accordance with the Takeovers Code
“Huarui Offer Independent Board Committee”	the independent committee of the Board established pursuant to Rule 2.1 of the Takeovers Code comprising all independent non-executive Directors (Mr. Cheng Yuk Wo, Mr. Pun Tit Shan and Mr. Chen Jihua) as described in the section headed “Independent Board Committee and Independent Financial Adviser” of this joint announcement
“Huarui Offer Independent Financial Adviser”	the independent financial adviser to be appointed by the Company with the approval of the Huarui Independent Board Committee to advise the Huarui Independent Board Committee in relation to the Huarui Offer
“Huarui Offer Period”	has the meaning given to it under the Takeovers Code, being the period from the date of the Possible Separate Offer Announcement until the latest of: (1) the date when the Huarui Offer closes for acceptances (i.e. the Huarui Offer Closing Date); (2) the date when the Huarui Offer lapses; (3) the time when Huarui announces that the Huarui Offer will not proceed; and (4) the date when an announcement is made of the withdrawal of the Huarui Offer
“Huarui Offer Price”	the price per Huarui Offer Share payable in cash by Huarui on the terms of the Huarui Offer
“Huarui Offer Share(s)”	the Share(s) which are subject to the Huarui Offer
“Huarui Offer Unconditional Date”	the date on which the Huarui Offer becomes or is declared unconditional in all respects
“Huarui Parent”	ORG Technology Co., Ltd, a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 002701)

“Huarui Partnership”	Beijing Huarui Fengquan Management Partnership (Limited Partnership)* (北京市華瑞鳳泉企業管理合夥企業(有限合夥)), a limited partnership established in the PRC, and the general partner of which is View Harmony Services
“Hubei ORG”	Hubei ORG Canmaking Co., Ltd.* (湖北奧瑞金制罐有限公司), a company established in the PRC and directly wholly owned by Huarui Parent
“Irrevocable Undertaking”	the irrevocable undertaking to accept the Huarui Offer dated 6 June 2024 given by Mr. Zhang Wei to Huarui as described in the section headed “The Irrevocable Undertaking” in this joint announcement
“Last Trading Date”	6 June 2024, being the last day on which the Shares were traded on the Stock Exchange prior to the date of this joint announcement pursuant to Rule 3.5 of the Takeovers Code
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MAR”	material asset restructuring as defined in the MAR Measures
“MAR Measures”	the Administrative Measures for the Material Asset Restructuring for Listed Companies
“MAR Proposal”	the proposal for material asset restructuring issued by Huarui Parent on the date of this joint announcement on the website of the Shenzhen Stock Exchange for the purpose of compliance with the relevant requirements under the MAR Measures
“MOFCOM”	Ministry of Commerce of the PRC
“Mr. Zhou”	Mr. Zhou Yunjie
“NDRC”	National Development and Reform Commission of the PRC
“ORG Development”	ORG Development Limited (奧瑞金發展有限公司), a limited liability company incorporated in Hong Kong and indirectly wholly owned by Huarui Parent

“ORG International”	ORG International Holdings Limited (奧瑞金國際控股有限公司), a limited liability company incorporated in Hong Kong and directly wholly owned by Huarui Parent
“Possible Separate Offer”	a possible voluntary conditional general cash offer to be made by ORG Development or through other subsidiary of Huarui Parent to acquire all of the issued Shares (other than those already owned by or be acquired by ORG Development and its concert parties)
“Possible Separate Offer Announcement”	the announcement of the Company dated 12 December 2023 in relation to the Possible Separate Offer
“PRC”	the People’s Republic of China, which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Pre-Conditions”	the pre-conditions to the making of the Huarui Offer, as set out under the section headed “Pre-Conditions to the Huarui Offer” in this joint announcement
“Pre-Conditions Long Stop Date”	6 January 2025 or such later date as determined by Huarui
“Relevant Authorities”	relevant governments, governmental and/or quasi-governmental bodies, statutory and/or regulatory bodies, courts or institutions
“Relevant Shares”	245,080,000 Shares, representing approximately 22.01% of the total issued shares of the Company held by Mr. Zhang Wei as at the date of this joint announcement, together with any Shares to be issued by the Company attributable to the Shares held by Mr. Zhang Wei or any Shares derived from the Shares held by Mr. Zhang Wei, and any Shares held as beneficial owner by Mr. Zhang Wei or any company controlled by Mr. Zhang Wei after the date of the Irrevocable Undertaking
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC or its local authorities (as applicable)
“SAMR”	State Administration for Market Regulation of the PRC

“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) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou SLAC”	Suzhou SLAC Precision Equipment Co., Ltd.* (蘇州斯萊克精密設備股份有限公司), a company established in the PRC and a company listed on Shenzhen Stock Exchange (Stock Code 300382.SZ)
“Takeovers Code”	Code on Takeovers and Mergers in Hong Kong
“View Harmony Packaging”	Beijing View Harmony Packaging Co., Ltd.* (北京景和包裝製造有限公司), a company established in the PRC and directly non-wholly-owned by Huarui Parent
“View Harmony Service”	Beijing View Harmony Packaging Service Co., Ltd.* (北京景和包裝服務有限公司), a company established in the PRC and directly wholly-owned of Huarui Parent
“Yuanlong Holdings”	Shanghai Yuanlong Investment Holdings (Group) Company Limited, a limited liability company established in the PRC
%	per cent.

By order of the board of directors of
Huarui Fengquan Development Limited
Mr. Zhou Yuan
Director

By order of the Board of
CPMC Holdings Limited
Zhang Ye
Chairman and Executive Director

Hong Kong, 7 June 2024

As at the date of this joint announcement, the chairman of the Board and executive Director is Mr. Zhang Ye, the executive Director is Mr. Qu Hongliang, 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to Huarui and/or parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of Huarui and the directors of Huarui Parent) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of Huarui are Mr. Zhou Yuan, Mr. Shen Tao, and Mr. Gao Libing. The directors of Huarui jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and that there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the directors of Huarui Parent are Mr. Zhou Yunjie, Mr. Zhou Yuan, Mr. Shen Tao, Mr. Qin Feng, Ms. Tong Fangyan, Mr. Zhou Yunhai, Mr. Xu Wencai, Mr. Zhang Lishang and Mr. Zhou Bo.

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

** for identification purpose only*