

30 July 2024

*To the Shareholders*

Dear Sir or Madam,

**(I) CONDITIONAL VOLUNTARY GENERAL CASH OFFER BY  
SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED ON BEHALF OF  
CHAMPION HOLDING (BVI) CO., LTD TO ACQUIRE ALL THE  
ISSUED SHARES OF CPMC HOLDINGS LIMITED (OTHER THAN  
THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE  
OFFEROR OR PARTIES ACTING IN CONCERT WITH IT)  
AND  
(II) POSSIBLE TAKE PRIVATE**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to the Offer, pursuant to which it was announced that Shenwan Hongyuan would, on behalf of the Offeror, make a voluntary conditional general cash offer in compliance with the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror or parties acting in concert with it), and that (i) the making of the Offer is subject to the satisfaction of certain Pre-Conditions (as the case may require) by the Pre-Conditions Long Stop Date as set out in the Joint Announcement; and (ii) the Offer, if and when made, would also be conditional upon the fulfilment or waiver (as applicable) of certain conditions (including condition as to acceptance threshold) as set out in the Joint Announcement.

On 15 July 2024, the Offeror announced in the Pre-Conditions Announcement that all Pre-Conditions have been fulfilled and that an offer document containing the terms and conditions of the Offer would be despatched to the Shareholders in compliance with the Takeovers Code.

We, Shenwan Hongyuan, as the Financial Adviser to the Offeror, are writing to you to make the Offer to you for and on behalf of the Offeror. This letter forms part of this Offer Document which sets out, among other things, the details of the Offer, information on the Offeror, the intention of the Offeror in relation to CPMC and the benefits of the Offer may give to the Shareholders. Further details of the terms and procedures of acceptance of the Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

Based on the published information of CPMC, as at the Latest Practicable Date, there were 1,113,423,000 Shares in issue and there were no options, derivatives, warrants or securities which are convertible or exchangeable into the Shares or which confer rights to require the issue of the Shares. As at the Latest Practicable Date, save for the Shares held by China Foods which is subject to the Irrevocable Undertaking, none of the Offeror and parties acting in concert with it owns, controls or has direction over any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of CPMC.

## THE OFFER

Shenwan Hongyuan is making, for and on behalf of the Offeror and in compliance with the Takeovers Code, the Offer to acquire all the Offer Shares on the following terms:

**For each Offer Share . . . . . HK\$6.87 in cash**

The Offer is extended to all Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be (i) fully paid; (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interest of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto (including the right to receive and retain all dividends and other distributions in form or in kind (if any) which may be announced, declared, paid or made thereon by CPMC the record date of which falls on or after the date of this Offer Document).

## Comparison of value

The Offer Price of HK\$6.87 per Share represents:

- (i) a premium of approximately 32.1% over the closing price of HK\$5.2 per Share as quoted on the Stock Exchange on 16 August 2023, the last trading day prior to the publication of the Rule 3.7 Announcement;
- (ii) a premium of approximately 36.0% over the average closing price of approximately HK\$5.05 per Share for the five consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement;
- (iii) a premium of approximately 41.1% over the average closing price of approximately HK\$4.87 per Share for the 10 consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement;
- (iv) a premium of approximately 56.5% over the average closing price of approximately HK\$4.39 per Share for the 30 consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement;

- (v) a premium of approximately 63.6% over the average closing price of approximately HK\$4.20 per Share for the 60 consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.7 Announcement;
- (vi) a premium of approximately 6.0% over the closing price of HK\$6.48 per Share as quoted on the Stock Exchange on 29 November 2023, being the Last Trading Day before the Joint Announcement;
- (vii) a premium of approximately 4.7% over the average closing price of approximately HK\$6.56 per Share for the five consecutive trading days up to and including the Last Trading Day before the Joint Announcement;
- (viii) a premium of approximately 5.4% over the average closing price of approximately HK\$6.52 per Share for the ten consecutive trading days up to and including the Last Trading Day before the Joint Announcement;
- (ix) a premium of approximately 10.1% over the average closing price of approximately HK\$6.24 per Share for the 30 consecutive trading days up to and including the Last Trading Day before the Joint Announcement;
- (x) a premium of approximately 13.2% over the average closing price of approximately HK\$6.07 per Share for the 60 consecutive trading days up to and including the Last Trading Day before the Joint Announcement;
- (xi) a discount of approximately 3.6% to the closing price of HK\$7.13 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (xii) a premium of approximately 24.7% to the audited consolidated net asset value attributable to owners of CPMC per Share of approximately RMB4.99 (equivalent to approximately HK\$5.51) as at 31 December 2023, calculated based on (i) CPMC Group's audited consolidated net assets attributable to owners of CPMC of approximately RMB5,555,226,000 as at 31 December 2023; (ii) 1,113,423,000 Shares in issue as at the Latest Practicable Date; 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**

During the Relevant Period, the highest closing price per Share as quoted on the Stock Exchange was HK\$7.13 per share on 13 June 2024 and 26 July 2024; and the lowest closing price per Share as quoted on the Stock Exchange was HK\$3.77 per share on 27 June 2023.

## Value of the Offer

Based on the published information of CPMC as at the Latest Practicable Date, CPMC had 1,113,423,000 Shares in issue. The Offeror is not aware that there are any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of CPMC as at that date.

Assuming that there is no change in the issued share capital of CPMC from the Latest Practicable Date up to (and including) the close of the Offer and based on the Offer Price of HK\$6.87 per Share and 1,113,423,000 Shares in issue as at the Latest Practicable Date, the maximum amount of aggregated cash consideration to be paid to the Shareholders for all Offer Shares under the Offer would be HK\$7,649,216,010.

## Confirmation of financial resources

The Offeror intends to finance the consideration payable by the Offeror under the Offer by external financing, pursuant to which China Merchants Bank Co., Ltd. agreed to provide a loan facility to the Offeror under the Loan Agreement to pay for the total consideration under the Offer as well as costs and expenses relating to the Offer and payable by the Offeror, which facility will be secured by the Security Charge in favour of China Merchants Bank Co., Ltd. The Offeror confirms that the payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the aforementioned financing arrangements, will not depend, to any significant extent, on the business of the CPMC Group.

Shenwan Hongyuan, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror for satisfying its payment obligation in respect of the cash consideration payable required for the full acceptance of the Offer.

## Pre-Conditions of the Offer

The making of the Offer was subject to the fulfillment of the Pre-Conditions. On 15 July 2024, the Offeror announced in the Pre-Conditions Announcement that all Pre-Conditions have been fulfilled.

## Conditions of the Offer

The Offer is conditional upon the fulfilment or waiver (as applicable) of the following Conditions:

- (a) valid acceptances of the Offer having been received at or before 4:00 p.m. on the First Closing Date in respect of the Shares which, together with the Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of all the Shares then in issue. Upon the Offer becoming unconditional following the fulfilment of such condition, the Offer will remain open for acceptance until the expiry of a period of four months after the

posting of this Offer Document for the purpose of allowing the Offeror to acquire further Shares to entitle it to exercise its compulsory acquisition rights as further particularised in the section headed “POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL FROM LISTING” below. If the above condition of valid acceptances of 50% of all the Shares is not fulfilled, the Offer will lapse in accordance with the Takeovers Code;

- (b) no event having occurred which would make the Offer or the acquisition of any of the Offer Shares void, unenforceable or illegal or prohibit the implementation of the Offer or would impose any additional material conditions or obligations with respect to the Offer or any part thereof; and
- (c) no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Offer or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Offer or its implementation in accordance with its terms).

Other than Condition (a), the Offeror 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, the Offeror should not invoke Condition (b) or (c) so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Offer.

In accordance with the Note to Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes or is declared unconditional as to acceptances and when the Offer becomes or is declared unconditional in all respects.

The Offeror reserves the right to revise the terms of the Offer in compliance with the Takeovers Code.

**WARNING: The Offer may or may not become unconditional and will lapse if it does not become unconditional. Accordingly, the Shareholders, and prospective investors of CPMC are advised to exercise caution when dealing in the securities of CPMC. Persons who are in doubt as to the action they should take should consult their professional advisers.**

## POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

If the Offeror acquires such number of Shares under the Offer representing not less than 90% of all the Shares (as required by Section 693 of the Companies Ordinance) (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Shares held by the Disinterested Shareholders by 4:00 p.m. on the Final Closing Date, the Offeror intends to take private CPMC by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares held by the Disinterested Shareholders, following which the listing of CPMC on the Main Board of the Stock Exchange will be withdrawn pursuant to the Listing Rules.

For the Shares that may be acquired by the Offeror exercising its compulsory acquisition rights as mentioned above, the Offeror will settle the consideration at the Offer Price wholly in cash (which sum shall be payable net of seller's ad valorem stamp duty). To each Disinterested Shareholder holding any Share(s) to which the compulsory acquisition applies (other than any such Disinterested Shareholder who cannot be found), subject to the production of the relevant documents of title or indemnity to CPMC's satisfaction, consideration for such Shares will be settled by cheque to be posted by ordinary post as soon as possible but in any event no later than seven business days (as defined in the Takeovers Code) after the expiry of the two-month period specified in Section 696 of the Companies Ordinance which will commence from the date of giving of the notice by the Offeror to such Disinterested Shareholder for acquiring its Shares served pursuant to Section 693 of the Companies Ordinance. For any Disinterested Shareholder who cannot be found, the Offeror will pay the consideration it is entitled to receive to CPMC who will hold it on trust for such Disinterested Shareholder in accordance with Section 698 of the Companies Ordinance.

Whilst it is the intention of the Offeror to take private CPMC, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Shares is dependent on the level of acceptance of the Offer 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 Shares validly tendered for acceptance under the Offer by 4:00 p.m. on the Final Closing Date are less than 90% of all the Shares or less than 90% of all the Shares held by the Disinterested Shareholders, the Shares will remain listed on the Main Board of the Stock Exchange.

Pursuant to the joint announcement issued by CPMC and Huarui Fengquan Development Limited ("**Huarui**") dated 7 June 2024 (the "**Huarui Joint Announcement**"), Huarui notified CPMC that it had a firm intention, subject to the satisfaction of the pre-conditions, through China Securities (International) Corporate Finance Company Limited 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 at a price of HK\$7.21 in cash for each Share which is subject to the offer (the "**Huarui Offer**"). According to the Huarui Joint Announcement, Huarui and parties acting in concert with it were interested in approximately 24.43% of the shareholding in CPMC as at the date of the Huarui Joint Announcement.

The making of the Huarui Offer is subject to the satisfaction of certain pre-conditions (the “**Huarui Offer Pre-Conditions**”). As at the Latest Practicable Date, neither Huarui nor CPMC has announced satisfaction of any of the Huarui Offer Pre-Conditions. The Huarui Offer, if made, will constitute a competitive bid against the Offer (the “**Competitive Situation**”).

According to the Huarui Joint Announcement, 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 the Huarui Joint Announcement) and the offeror (namely Huarui) entered into an irrevocable undertaking (the “**Huarui 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 Huarui Irrevocable Undertaking will be terminated immediately upon (i) the Huarui Offer having lapsed, been withdrawn or closed, (ii) the Huarui Offer Pre-Conditions not having been satisfied on or before 6 January 2025 (being the long stop date for satisfaction of the Huarui Offer Pre-Conditions), (iii) if any person (other than Huarui) makes an offer to acquire the Shares at an offer price higher than the offer price of the Huarui Offer, (iv) Huarui fails to complete the acquisition of the Relevant Shares (as defined in the Huarui Joint Announcement) within six months from the date of the Huarui Irrevocable Undertaking, or (v) the written consent of Huarui and Mr. Zhang Wei, whichever is earlier.

If (i) Huarui proceeds with the Huarui Offer and Mr. Zhang Wei accepts the Huarui Offer in accordance with the Huarui Irrevocable Undertaking, or (ii) Mr. Zhang Wei and/or Huarui (together with parties acting in concert with it) does not accept the Offer by 4:00 p.m. on the Final Closing Date, the Shares validly tendered for acceptance under the Offer will be less than 90% of all the Shares and less than 90% of all the Shares held by the Disinterested Shareholders, as a result of which the Offeror will not be able to exercise its rights of compulsory acquisition as mentioned above.

**If the level of acceptance of the Offer reaches the prescribed level under the Companies Ordinance required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules.**

## **GENERAL MATTERS RELATING TO THE OFFER**

### **Effects of accepting the Offer**

The Offer will be extended to all Shareholders in accordance with the Takeovers Code. By accepting the Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution (in form or in kind) declared, made or paid, if any, the record

date of which is on or after the date on which the Offer is made, being the date of the despatch of this Offer Document, in any event.

### **Payment**

Payment (after deducting the accepting the Shareholders' share of stamp duty) in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the later of the date on which (i) the receipt of duly completed acceptances; or (ii) the Offer has become or is declared unconditional in all respects, whichever is later. Relevant documents of title must be received to render each acceptance of the Offer complete and valid.

### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the consideration payable in respect of the acceptance by the Shareholders or if higher, the market value of the Shares subject to such acceptance, will be deducted from the amount payable to those Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with acceptances of the Offer and the transfers of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Taxation advice**

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 Offer. None of the Offeror, parties acting in concert with it, Shenwan Hongyuan and their respective direct or indirect beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **Overseas Shareholders**

The making of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of the relevant jurisdictions or residence and it is the responsibility of each such Overseas Shareholder who wishes to accept the Offer to satisfy themselves as to the full observance of the laws and regulations 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 transfer or other taxes due from such Overseas Shareholder in such relevant jurisdictions. The Offeror will comply with the requirements of the Takeovers Code in respect of Overseas Shareholders.



**WARNING: Any acceptance tendered by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders should consult their own professional advisers if in doubt.**

### Dealing and Interests in CPMC's Securities

None of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other relevant securities convertible (as defined in Note 4 to Rule 22 of the Takeovers Code) into Shares for value during the Relevant Period.

### The Offeror's Confirmation

The Offeror confirms that, as at the Latest Practicable Date:

- (a) save for the Shares held by China Foods which is subject to the Irrevocable Undertaking, neither the Offeror nor parties acting in concert with it own, control or direct over any voting rights in and rights over any Shares;
- (b) save for the Irrevocable Undertaking, the Offeror and parties acting in concert with it have not received any irrevocable commitment to accept or reject the Offer;
- (c) save for the Irrevocable Undertaking, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (d) the Offeror and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in CPMC;
- (e) 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) any Shareholder; and (ii) the Offeror and any person acting in concert with it; and
- (f) 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) the Offeror or any party acting in concert with it and (ii) China Foods and any party acting in concert with it.

### THE IRREVOCABLE UNDERTAKING

On 6 December 2023, China Foods and the Offeror entered into the Irrevocable Undertaking, pursuant to which, among other things, China Foods has, subject to the review and approval of the state-owned assets supervision and administration authority, unconditionally and

irrevocably agreed and undertaken to accept the Offer in respect of the Sale Shares as soon as practicable prior to the last acceptance date of the Offer, and China Foods has undertaken not to withdraw such acceptance and to make its best efforts to seek approval from the state-owned assets supervision and administration authority for the relevant Shareholders to transfer the Sale Shares to the Offeror. The Offeror has obtained the approval from SASAC in connection with the Offer, and SASAC has also approved China Foods to transfer the Sale Shares to the Offeror.

Since the Pre-Conditions have been fulfilled as at the Latest Practicable Date, the Irrevocable Undertaking will only be terminated immediately upon (i) the Offer having been withdrawn, lapsed or closed, or (ii) the written consent of the Offeror and China Foods, whichever is earlier.

As at the Latest Practicable Date, based on public information, China Foods holds 330,658,800 Shares, representing approximately 29.7% of the total issued shares of CPMC.

## **INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding activities. As at the Latest Practicable Date, the Offeror is directly wholly-owned by Changping Industrial. Changping Industrial is held as to 61.54% and 38.46% by Baowu and China Reform Investment, respectively. Baowu is directly owned as to 90% by SASAC and as to 10% by National Council for Social Security Fund of the PRC. China Reform Investment is directly wholly-owned by China Reform Holdings Corporation Ltd., which in turn is wholly-owned by SASAC. To the best of the knowledge, information and belief of the sole director of the Offeror having made all reasonable enquiries, the Offeror, Changping Industrial and its ultimate beneficial owners are third parties independent of CPMC and its connected persons.

## **INFORMATION ON CPMC GROUP**

As disclosed in the annual report of CPMC for the year ended 31 December 2023, CPMC is a limited liability company incorporated in Hong Kong, and is an investment holding company. CPMC 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.

## **REASONS AND BENEFITS OF THE OFFER AND THE OFFEROR'S INTENTION ON CPMC**

CPMC 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, CPMC Group provides comprehensive packaging solutions including high technological packaging design, printing, logistics and comprehensive customer services. In order for CPMC Group to remain competitive, it is inevitable to formulate and implement a

necessary transformation of the business, which aims to explore new development opportunities, deliver operational optimisation and implementation of long-term growth measures.

The ultimate controlling shareholder of the Offeror is Baowu. In 2023, Baowu was ranked 44th on the Fortune 500 list, with total assets of RMB1.36 trillion and total operating revenue of RMB1.11 trillion. Baowu's effort to build a diversified industrial structure is based on the steel industry and by encompassing the synergistic development of related industries such as the advanced materials industry. Baowu's industrial layout covers across China and other overseas countries and regions, with its major businesses concentrated in the upstream of packaging sector where CPMC is engaged in, including steel, advanced materials and so on.

After the completion of the Offer, the Offeror will become the controlling Shareholder, and the Offeror believes that the Offeror will provide strong shareholders' support for the strategic development of CPMC and will allow CPMC to have flexibility to make strategic investment decisions focused on realisation of CPMC's potential long-term value. Through optimising regional layout and enhancing resource sharing, CPMC will be able to provide comprehensive material solutions to its customers and meet the upgrading material needs of its customers, and the economies of scale effects and synergies will be fully achieved, ultimately to pursue strategic goals to position CPMC as a strong player in the metal packaging industry globally.

Meanwhile, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules has not been satisfied for over two years since 19 October 2021. It is the belief of the Offeror that the Offer is an exit arrangement which provides such Shareholders an opportunity either to monetise their investments in CPMC immediately for cash at an attractive premium over the prevailing price of the Shares, and therefore allows Shareholders a chance to redeploy their capital into other investment opportunities that they may consider more attractive in the current environment. The Offer Price of HK\$6.87 per Offer Share represents a premium of approximately 6.0% over the closing price of HK\$6.48 per Share as quoted on the Stock Exchange on the Last Trading Day before the Joint Announcement, and a discount of approximately 3.6% to the closing price of HK\$7.13 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

If the Offeror acquires such number of the Shares under the Offer as represents not less than 90% of all the Shares (by virtue of the acceptances of the Offer or otherwise) and not less than 90% of all the Shares held by the Disinterested Shareholders by 4:00 p.m. on the Final Closing Date, the Offeror intends to take private CPMC by exercising the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares held by the Disinterested Shareholders, following which the listing of CPMC on the Main Board of the Stock Exchange shall be withdrawn pursuant to the Listing Rules. CPMC will comply with the relevant requirements of the Listing Rules in this regard. In the event that the Offeror and its parties acting in concert come to hold more than 50%, but less than 90%, of all the Shares in issue at the close of the Offer, the Shares will remain listed on the Main Board of the Stock Exchange.

Maintaining the listing status of the Shares requires CPMC Group to incur administrative, compliance and other listing related costs and expenses. The withdrawal of listing of the Shares from the Stock Exchange, if completed, is expected to benefit CPMC from savings in costs related to the compliance and maintenance of the listing status of CPMC and will provide CPMC with flexibility to pursue diversified strategic alternatives or initiatives. The take private of CPMC would allow the Offeror to further increase its attributable interest in CPMC; following the Offeror to assume all of CPMC's assets, liabilities and business affairs, the Offeror would be able to enjoy the flexibility to manage CPMC's business with a more simplified corporate governance structure, or even perform potential business restructuring to better accommodate the prevailing market condition, and yet without the burden or the pressure from market expectations and stock price fluctuation as a listed company, and it could re-allocate management resources originally applied towards CPMC Group's administration, compliance and other matters relating to its listing status towards the business operations.

**Whilst it is the intention of the Offeror to take private CPMC, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Shares is dependent on the level of acceptance of the Offer 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 Shares validly tendered for acceptance under the Offer by 4:00 p.m. on the Final Closing Date are less than 90% of all the Shares or less than 90% of all the Shares held by the Disinterested Shareholders, the Shares will remain listed on the Main Board of the Stock Exchange. Please refer to the section headed "POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING" in the "Letter from Shenwan Hongyuan" of this Offer Document for details.**

#### **Proposed change of CPMC Board**

As at the Latest Practicable Date and based on public information, CPMC Board is currently made up of nine Directors, comprising two executive Directors, being Mr. Zhang Ye and Mr. Qu Hongliang; four non-executive Directors, being Dr. Zhao Wei, Mr. Meng Fanjie, Mr. Zhou Yuan and Mr. Shen Tao; and three independent non-executive Directors, being Mr. Cheng Yuk Wo, Mr. Pun Tit Shan and Mr. Chen Jihua.

As at the Latest Practicable Date, the Offeror intends to nominate new Directors to CPMC Board but has not finalised who will be nominated as the new Directors. Any changes to CPMC Board will be made in compliance with the Takeovers Code, the Listing Rules and the memorandum and articles of association of CPMC. Save as aforesaid, the Offeror does not have any intention to introduce any significant changes to the existing business operations and management of CPMC Group, nor does it have any intention to make any significant changes to the continued employment of CPMC Group's employees.

## SHAREHOLDING STRUCTURE OF CPMC

The table below sets out the shareholding structure of CPMC (based on public information) as at the Latest Practicable Date and immediately after the completion of the Offer (assuming that the Offer is fully accepted by the Shareholders):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Offer	
	Number of Shares	Approximate percentage of shareholding	Number of Shares	Approximate percentage of shareholding
Offeror (and parties acting in concert with it)	–	–	1,113,423,000	100.00%
<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>1,113,423,000</b>	<b>100.00%</b>
<i>Shareholders:</i>				
China Foods (Note 1)	330,658,800	29.70%	–	–
ORG Development Limited (Note 2)	269,341,200	24.19%	–	–
Hubei ORG Tinplate Printing & Can Making Co., Ltd. (Note 2)	2,326,000	0.21%	–	–
China Securities (International) Investment Company Limited (Note 3)	403,000	0.03%	–	–
Zhang Wei	245,080,000	22.01%	–	–
<b>Sub-total</b>	<b>847,809,000</b>	<b>76.14%</b>	<b>–</b>	<b>–</b>
<i>Directors:</i>				
Zhang Ye (Note 4)	9,366,000	0.84%	–	–
Qu Hongliang (Note 4)	300,000	0.03%	–	–
<b>Sub-total</b>	<b>9,666,000</b>	<b>0.87%</b>	<b>–</b>	<b>–</b>
Other public Shareholders	255,948,000	22.99%	–	–
<b>Total</b>	<b>1,113,423,000</b>	<b>100.00%</b>	<b>1,113,423,000</b>	<b>100.00%</b>

*Notes:*

1. China Foods is a wholly-owned subsidiary of COFCO (Hong Kong) Limited (“**COFCO (HK)**”). China Foods and COFCO (HK) are wholly-owned subsidiaries of COFCO Corporation (“**COFCO**”), which is ultimately and beneficially owned by SASAC. COFCO (HK) and COFCO are therefore deemed to be interested in the 330,658,800 Shares held by China Foods.
2. ORG Development Limited and Hubei ORG Tinplate Printing & Can Making Co., Ltd. (“**Hubei ORG**”) hold 269,341,200 Shares and 2,326,000 Shares, respectively. ORG Development Limited is wholly-owned by ORG International Holdings Limited. ORG International Holdings Limited and Hubei ORG are wholly-owned by ORG Technology Co. Limited. ORG Technology Co. Limited is owned as to approximately 39.19% by Shanghai Yuanlong Investment Holdings (Group) Company Limited and approximately 0.74% by 北京二十一兄弟商貿有限公司 (Beijing 21 Brother Commerce Trade Co., Ltd.\*) which in turn are owned as to approximately 78.00% and 80.00%, respectively, by Mr. Zhou Yunjie. Therefore, Mr. Zhou Yunjie is deemed to be interested in all the Shares held by ORG Development Limited and Hubei ORG.
3. As disclosed in the Huarui Joint Announcement, China Securities (International) Corporate Finance Company Limited (“**CSCI**”) is the financial adviser of Huarui in respect of the Huarui Offer. Accordingly, CSCI and China Securities (International) Investment Company Limited are presumed to be acting in concert with Huarui in respect of their shareholding in CPMC in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code.
4. Mr. Zhang Ye and Mr. Qu Hongliang are executive Directors as at the Latest Practicable Date.

## **PUBLIC FLOAT**

As disclosed in the Joint Announcement, due to successive on-market acquisitions by one of the Shareholders, Mr. Zhang Wei, the public float of CPMC has fallen below the minimum prescribed percentage of 25% as required by Rule 8.08 of the Listing Rules since 19 October 2021. According to the announcement of CPMC dated 26 July 2024, the public float of CPMC is approximately 23.02%.

As described above, the Offeror proposes to take private CPMC, subject to the satisfaction of the requirements as set out above for the withdrawal of listing in accordance with Rule 2.11 of the Takeovers Code and the satisfaction of all other Listing Rules requirements. In the event that the withdrawal of listing fails and the public float of CPMC remains to fall below 25% following the close of the Offer, the sole director of the Offeror and the new directors to be appointed to the CPMC Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offer.

**If, upon closing of the Offer, less than the minimum prescribed percentage applicable to CPMC, being 25% of the Shares, 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 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 restored.**

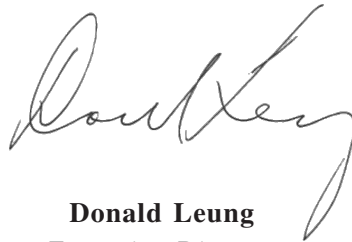
## ADDITIONAL INFORMATION

Your attention is drawn to the information regarding the Offer set out in the Appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

In considering what action to take in connection with the Offer, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

**Shareholders are reminded to review the Response Document and the advice of the independent board committee of CPMC and the independent financial adviser appointed by CPMC before making an informed decision on whether to accept or not to accept the Offer.**

Yours faithfully,  
for and on behalf  
**Shenwan Hongyuan Capital (H.K.) Limited**



**Donald Leung**  
*Executive Director*