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**中糧**  
**COFCO**  
自然之源 重塑你我



## **CPMC HOLDINGS LIMITED**

**中糧包裝控股有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock code: 906)**

### **CONNECTED TRANSACTION CAPITAL CONTRIBUTION TO HARVEST EPOCH PACKAGING (ZHEJIANG) CO., LTD.**

#### **EQUITY ADJUSTMENT AGREEMENT**

On 30 November 2018, CPMC Investment (an indirect wholly-owned subsidiary of the Company), Harvest Epoch International and Duilong Honghui (an indirect wholly-owned subsidiary of ORG Technology) entered into the Equity Adjustment Agreement in relation to the increase of the registered capital of the Target Company, pursuant to which CPMC Investment and Harvest Epoch International will each make Capital Contribution to the Target Company. Upon completion of the Capital Contribution, the enlarged registered capital in the Target Company will be held as to (i) 54.7% by the CPMC Investment; (ii) 31.2% by Harvest Epoch International; and (iii) 14.1% by Duilong Honghui, respectively.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Duilong Honghui is an indirect wholly-owned subsidiary of ORG Technology, a substantial Shareholder of the Company, therefore it is a connected person of the Company at the issuer level pursuant to Rule 14A.07(1) of the Listing Rules. The Target Company is a non wholly-owned subsidiary of CPMC Investment and Duilong Honghui holds 10% or more interest in it. Therefore, the Target Company is a connected subsidiary pursuant to Rule 14A.16(1) of the Listing Rules and a connected person of the Company under Rule 14A.07(5) of the Listing Rules. Therefore, the Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (save for the profit ratio) set out in the Listing Rules in respect of the Capital Contribution exceed(s) 0.1% but all less than 5%, the Capital Contribution is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **EQUITY ADJUSTMENT AGREEMENT**

The Board is pleased to announce that on 30 November 2018, CPMC Investment (an indirect wholly-owned subsidiary of the Company), Harvest Epoch International and Duilong Honghui (an indirect wholly-owned subsidiary of ORG Technology) entered into the Equity Adjustment Agreement in relation to the increase of the registered capital of the Target Company.

The principal terms of the Equity Adjustment Agreement are as follow:

### **Date**

30 November 2018

### **Parties**

- (1) CPMC Investment (an indirect wholly-owned subsidiary of the Company);
- (2) Harvest Epoch International; and
- (3) Duilong Honghui (an indirect wholly-owned subsidiary of ORG Technology)

To the best of Directors' knowledge, information and belief, and having made all reasonable enquiries, Duilong Honghui is a connected person of the Company for the reason set out under the section "Listing Rules Implications" below. Each of Harvest Epoch International and its ultimate beneficial owner(s) is an Independent Third Party as at the date of this announcement.

### **Capital Contribution**

Pursuant to the Equity Adjustment Agreement, CPMC Investment and Harvest Epoch International shall make a capital contribution in cash to the Target Company's registered capital in the amount of US\$13,050,000 and US\$6,950,000, respectively.

CPMC Investment shall inject the amount of US\$9,300,000 and US\$3,750,000 into the Target Company on or before 31 December 2018 and 30 November 2020, respectively. The Group intends to fund the Capital Contribution by its internal resources.

The amount of the Capital Contribution is determined by the parties on arm's length basis by reference to, among other things, the Target Company's need for additional funding for its business operations.

### **COMPLETION**

Completion of the Capital Contribution will take place upon completion of the registration of the equity adjustment of the Target Company with the Administration for Market Regulation.

Upon completion of the Capital Contribution, the Target Company will continue to be an indirectly non wholly-owned subsidiary of the Company and its financial results will continue to be consolidated into the accounts of the Company.

Set forth below is a table showing the registered capital structure of the Target Company immediately before and after the completion of the Capital Contribution.

*Registered capital structure of the Target Company before completion of the Capital Contribution:*

<b>Name of shareholders</b>	<b>Contribution to the registered capital US\$</b>	<b>Equity Interest percentage</b>
CPMC Investment	30,600,000	51.0%
Harvest Epoch International	18,000,000	30.0%
Duiling Honghui	11,400,000	19.0%
Total	<u>60,000,000</u>	<u>100.00%</u>

*Registered capital structure of the Target Company after completion of the Capital Contribution:*

<b>Name of shareholders</b>	<b>Contribution to the registered capital US\$</b>	<b>Equity Interest percentage* (approx.)</b>
CPMC Investment	43,650,000	54.7%
Harvest Epoch International	24,950,000	31.2%
Duiling Honghui	11,400,000	14.1%
Total	<u>80,000,000</u>	<u>100.00%</u>

\* Calculation is based on the valuation of the equity of the Target Company as at 30 September 2018 and the Capital Contribution.

## **INFORMATION OF THE PARTIES TO THE EQUITY ADJUSTMENT AGREEMENT**

### *The Group and CPMC Investment*

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

CPMC Investment is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is an investment holding company.

### *Harvest Epoch International*

Harvest Epoch International is a company incorporated in Hong Kong with limited liability and an investment holding company.

## *ORG Technology and Duilong Honghui*

ORG Technology is a company limited by shares incorporated in the PRC and a substantial shareholder of the Company. It is principally engaged in the comprehensive packaging services including packaging design, packaging production, filling and brand design and promotion.

Duilong Honghui is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of ORG Technology. It is principally engaged in technology research and development for new material; design, production and sales of packaging materials and metal materials.

### **INFORMATION OF THE TARGET COMPANY**

The Target Company is a limited liability company incorporated in the PRC with a registered capital of US\$60,000,000 as at the date of this announcement. The main factory of the Target Company is located in Lianhang Economic and Technological Development Zone, Haining City, Zhejiang Province, the PRC with an area of 100 mu and a construction area of approximately 30,000 square meters. It has a two-piece can production line of international standard, which produces packaging products for beer, beverages and other downstream industries.

Based on the unaudited accounts of the Target Company, the unaudited net asset value of the Target Company as at 30 September 2018 is RMB385,252,834. The financial information of the Target Company for the two years ended 31 December 2017 based on its audited financial statements prepared in accordance with the PRC GAAP are as follows:

	<b>For the year ended 31 December</b>	
	<b>2016</b>	<b>2017</b>
	<i>RMB</i>	<i>RMB</i>
Net loss before taxation	2,941,671	<b>3,061,566</b>
Net loss after taxation	2,941,671	<b>3,061,566</b>

### **REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION TO THE TARGET COMPANY**

The Capital Contribution will strengthen the Target Company's capital sufficiency for further development in the market of manufacturing of packaging products which is expected to bring along positive financial impact and thus beneficial to the Group.

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

Save for Mr. Zhou Yuan and Mr. Shen Tao who have abstained from voting on the resolutions in respect of the Equity Adjustment Agreement in the relevant Board meeting since they serve as the director and director & general manager of ORG Technology, respectively, none of the Directors is materially interested in the Equity Adjustment Agreement and is required to abstain from voting on the resolutions in respect of the Equity Adjustment Agreement in the relevant Board meeting.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Duilong Honghui is an indirect wholly-owned subsidiary of ORG Technology, a substantial Shareholder of the Company, therefore it is a connected person of the Company at the issuer level pursuant to Rule 14A.07(1) of the Listing Rules. The Target Company is a non wholly-owned subsidiary of CPMC Investment and Duilong Honghui holds 10% or more interest in it. Therefore, the Target Company is a connected subsidiary pursuant to Rule 14A.16(1) of the Listing Rules and a connected person of the Company under Rule 14A.07(5) of the Listing Rules. Therefore, the Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (save for the profit ratio) set out in the Listing Rules in respect of the Capital Contribution exceed(s) 0.1% but all less than 5%, the Capital Contribution is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Capital Contribution”	the capital contribution to the registered capital of the Target Company by CPMC Investment and Harvest Epoch International in cash as contemplated under the Equity Adjustment Agreement
“Company”	CPMC Holdings Limited (中糧包裝控股有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CPMC Investment”	CPMC Investment Co., Ltd. (中糧包裝投資有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“Duilong Honghui”	Duilong Honghui New Material Technology Co., Ltd. (堆龍鴻暉新材料技術有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of ORG Technology

“Equity Adjustment Agreement”	the equity adjustment agreement dated 30 November 2018 entered into among CPMC Investment, Harvest Epoch International and Duilong Honghui relating to the increase of the registered capital of the Target Company
“Group”	the Company and its subsidiaries
“Harvest Epoch International”	Harvest Epoch International Limited (紀鴻國際有限公司), a company incorporated in Hong Kong with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and are not connected persons (as defined under the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“ORG Technology”	ORG Technology Co. Ltd. (奧瑞金科技股份有限公司) (formerly known as ORG Packaging Co. Ltd. (奧瑞金包裝股份有限公司)), a company limited by shares incorporated in the PRC and a substantial shareholder of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Harvest Epoch Packaging (Zhejiang) Co., Ltd. (浙江紀鴻包裝有限公司), a company incorporated in the PRC with limited liability
“US\$”	US Dollar, the lawful currency of the United State of America
“%”	per cent.

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

Hong Kong, 30 November 2018

*As at the date of this announcement, the Board comprises: Mr. Zhang Xin as the chairman and executive Director; Mr. Zhang Ye as an executive Director; Ms. Yu Youzhi, Messrs. Chen Qianzheng, Zhou Yuan and Shen Tao as non-executive Directors; and Messrs. Cheng Yuk Wo, Fu Tingmei and Pun Tit Shan as independent non-executive Directors.*