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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 ACQUISITION OF 14.1% EQUITY INTEREST IN HARVEST EPOCH PACKAGING (ZHEJIANG) CO., LTD.**

#### **EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that on 14 March 2019, CPMC Investment, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Duilong Honghui, pursuant to which CPMC Investment agreed to purchase 14.1% equity interest in the Target Company from Duilong Honghui in consideration of RMB78,500,000.

As at the date of this announcement, the Target Company is a subsidiary of the Company which is owned as to approximately 54.7% by CPMC Investment. Upon completion of the Equity Transfer Agreement, the Target Company will be owned as to approximately 68.8% by CPMC Investment.

#### **AGGREGATION OF TRANSACTIONS**

As disclosed in the announcement of the Company dated 30 November 2018, CPMC Investment entered into the Equity Adjustment Agreement with Duilong Honghui and Harvest Epoch International on 30 November 2018, pursuant to which, among others, CPMC Investment had made a capital contribution of US\$13,050,000 in the Target Company, which comprised (i) US\$10,200,000 as the shareholder's contribution made in proportion to the then shareholding of CPMC Investment in the Target Company; and (ii) US\$2,850,000 as the consideration for the acquisition of 3.7% equity interest in the Target Company from Duilong Honghui.

As the transactions contemplated under the Equity Transfer Agreement and the Equity Adjustment Agreement were entered into within a 12-month period, involved the same connected parties and Target Company, and in relation to the acquisition or subscription of the equity interest in the Target Company, they shall be aggregated as a series of transaction for the Company pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

## **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. Therefore, the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable aggregated percentage ratios (save for the profit ratio) set out in the Listing Rules in respect of the transactions under the Equity Transfer Agreement and the Equity Adjustment Agreement exceed(s) 1% but is/are less than 5%, the transactions under the Equity Transfer Agreement 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 TRANSFER AGREEMENT**

The Board is pleased to announce that on 14 March 2019, CPMC Investment, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Duilong Honghui.

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

### **Date**

14 March 2019 (after trading hours)

### **Parties**

- (1) CPMC Investment (as purchaser); and
- (2) Duilong Honghui (as vendor).

### **Assets to be acquired**

Pursuant to the Equity Transfer Agreement, CPMC Investment agreed to acquire 14.1% equity interest in the Target Company from Duilong Honghui.

### **Consideration and manner of payment**

The total consideration for the transfer of the 14.1% equity interest in the Target Company is RMB78,500,000. CPMC Investment shall settle the total consideration in cash in an one-off payment within 7 working days from the date of the Equity Transfer Agreement. Duilong Honghui shall assist CPMC Investment to proceed with the registration procedures regarding the change of the equity interest from Duilong Honghui to CPMC Investment.

The consideration payable by CPMC Investment will be financed by the Group's internal resources.

## **Basis of Consideration**

The consideration was arrived at after arm's length negotiations between CPMC Investment and Duilong Honghui taking into account, amongst others, the preliminary valuation of the Target Company prepared by an independent valuer and the financial performance of the Target Company.

## **Completion**

The completion of the Equity Transfer Agreement shall take place upon completion of the procedures of change of business registration in relation to the equity transfer.

As at the date of this announcement, the Target Company is a subsidiary of the Company which is owned as to approximately 54.7%, 14.1% and approximately 31.2% by CPMC Investment, Duilong Honghui and Harvest Epoch International, respectively. Upon completion of the Equity Transfer Agreement, Duilong Honghui will cease to be a shareholder of the Target Company and the Target Company will be owned as to approximately 68.8% and approximately 31.2% by CPMC Investment and Harvest Epoch International, respectively.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a limited liability company incorporated in the PRC with a registered capital of US\$80,000,000 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 audited accounts of the Target Company, the audited net asset value of the Target Company as at 31 December 2018 is RMB505,359,738. The financial information of the Target Company for the three years ended 31 December 2018 prepared in accordance with the PRC GAAP are as follows:

	<b>For the year ended 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Net profit/(loss) before taxation	(2,941,671)	(3,061,566)	7,974,162
Net profit/(loss) after taxation	(2,941,671)	(3,061,566)	7,429,284

## **INFORMATION OF THE PARTIES TO THE EQUITY TRANSFER 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.

### *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.

## **REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AGREEMENT**

Following the further integration of the aluminum packaging industry, the supply and demand of aluminum two-piece cans has become increasingly balanced, and the industry has gradually embarked on the path of healthy and sustainable development. Based on the Group's confidence in the future development and profitability of the industry and the Target Company, the Group intends to acquire 14.1% equity interest in the Target Company held by ORG Technology, which will be more beneficial to the implementation of the regional multi-can combination strategy and the full utilization of production capacity, and will improve the Group's overall competitiveness and return on investment.

The Board (including the independent non-executive Directors) is of the view that the terms of the Equity Transfer 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 Transfer 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 Transfer Agreement and is required to abstain from voting on the resolutions in respect of the Equity Transfer Agreement in the relevant Board meeting.

## **AGGREGATION OF TRANSACTIONS**

As disclosed in the announcement of the Company dated 30 November 2018, CPMC Investment entered into the Equity Adjustment Agreement with Duilong Honghui and Harvest Epoch International on 30 November 2018, pursuant to which, among others, CPMC Investment had made a capital contribution of US\$13,050,000 in the Target Company, which comprised (i) US\$10,200,000 as the shareholder's contribution made in proportion to the then shareholding of CPMC Investment in the Target Company; and (ii) US\$2,850,000 as the consideration for the acquisition of 3.7% equity interest in the Target Company from Duilong Honghui.

As the transactions contemplated under the Equity Transfer Agreement and the Equity Adjustment Agreement were entered into within a 12-month period, involved the same connected parties and Target Company, and in relation to the acquisition or subscription of the equity interest in the Target Company, they shall be aggregated as a series of transaction for the Company pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

## **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. Therefore, the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable aggregated percentage ratios (save for the profit ratio) set out in the Listing Rules in respect of the transactions under the Equity Transfer Agreement and the Equity Adjustment Agreement exceed(s) 1% but is/are less than 5%, the transactions under the Equity Transfer Agreement 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:

“associates”	has the same meaning as ascribed thereto in the Listing Rules
“Board”	the board of Directors
“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
“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
“Directors”	the directors of the Company
“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

“Equity Transfer Agreement”	the equity transfer agreement dated 14 March 2019 entered into among CPMC Investment (an indirect wholly-owned subsidiary of the Company) and Duilong Honghui in relation to CPMC Investment's acquisition of 14.1% of equity interest in the Target Company from Duilong Honghui
“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, 14 March 2019

*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.*