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CPMC HOLDINGS LIMITED

中糧包裝控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 906)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION FINANCIAL SERVICES AGREEMENT WITH COFCO FINANCE

THE 2022 FINANCIAL SERVICES AGREEMENT

Reference is made to the Company's announcement dated 7 November 2019 and the circular dated 27 November 2019 in relation to, inter alia, the continuing connected transactions and major transaction regarding the 2019 Financial Services Agreement entered by the Company, CPMC Investment and COFCO Finance on 7 November 2019.

As the 2019 Financial Services Agreement will expire on 22 December 2022 and the Group intends to continue to carry out the various transactions contemplated under the 2019 Financial Services Agreement upon the said expiry date, the Board announces that on 31 October 2022, the Company, CPMC Investment and COFCO Finance entered into the 2022 Financial Services Agreement, pursuant to which COFCO Finance shall provide (i) the Deposit Services; (ii) the Loan Services; (iii) the Entrustment Loan Services; and (iv) the Other Financial Services to the Group.

LISTING RULES IMPLICATIONS

Continuing Connected Transactions

COFCO is a substantial shareholder of the Company interested in 330,658,800 Shares, representing approximately 29.70% equity interest in the Company. COFCO Finance is an indirect wholly-owned subsidiary of COFCO and is therefore a connected person of the Company. Accordingly, the 2022 Financial Services Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under the Listing Rules.

Since the Loan Services are on normal commercial terms (or better to the Group) where no security over the assets of the Group will be granted in respect of the financial assistance given by COFCO Finance, the Loan Services are exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) in respect of the handling fees and other services fees in connection with the Entrustment Loan Services and the Other Financial Services are on an annual basis more than 0.1% but less than 5%, the Entrustment Loan Services and the Other Financial Services are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Deposit Services are more than 5%, and the total value of the Deposit Services is over HK\$10,000,000, the Deposit Services and the Proposed Deposit Cap are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Discloseable Transaction

Further, as the applicable percentage ratios in respect of the Deposit Services are more than 5% but all are less than 25%, the Deposit Services also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

The EGM will be convened to obtain the Independent Shareholders' approval regarding the Deposit Services and the Proposed Deposit Cap. A circular containing, among others, (i) details of the 2022 Financial Services Agreement, the transactions contemplated thereunder and the Proposed Deposit Cap; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders, and (iii) a letter of advice by an independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or before 21 November 2022 in accordance with the Listing Rules.

INTRODUCTION

Reference is made to the Company's announcement dated 7 November 2019 and the circular dated 27 November 2019 in relation to, inter alia, the continuing connected transactions and major transaction regarding the 2019 Financial Services Agreement entered by the Company, CPMC Investment and COFCO Finance on 7 November 2019.

As the 2019 Financial Services Agreement will expire on 22 December 2022 and the Group intends to continue to carry out the various transactions contemplated under the 2019 Financial Services Agreement upon the said expiry date, the Board announces that on 31 October 2022, the Company, CPMC Investment and COFCO Finance entered into the 2022 Financial Services Agreement, pursuant to which COFCO Finance shall provide (i) the Deposit Services; (ii) the Loan Services; (iii) the Entrustment Loan Services; and (iv) the Other Financial Services to the Group.

The Group utilises the services of COFCO Finance on a voluntary and non-exclusive basis and is not obliged to engage COFCO Finance for any particular services, or at all under the 2022 Financial Services Agreement. COFCO Finance is merely one of a number of financial institutions which provides financial services to the Group.

THE 2022 FINANCIAL SERVICES AGREEMENT

1. Principal terms of the 2022 Financial Services Agreement are set out as follows:

Date

31 October 2022

Effective Date and the Term

The 2022 Financial Services Agreement shall become effective upon the approval of the Independent Shareholders at the EGM and will be valid for a term of three (3) years.

Parties

- (a) the Company;
- (b) CPMC Investment; and
- (c) COFCO Finance

Major Terms

(a) Deposit Services

COFCO Finance will provide deposit services to the Group pursuant to the 2022 Financial Services Agreement. The Group will open and maintain deposit accounts with COFCO Finance.

The interest rates for the Group's deposits with COFCO Finance (the "**COFCO Deposit Interest Rate**") will be determined in accordance with the standard deposit rates promulgated by PBC from time to time. The COFCO Deposit Interest Rate will not be lower than the standard deposit rates promulgated by PBC for same type of deposits of the same period and will not be lower than the interest rates offered by the 10 major PRC commercial banks for same type of deposits of the same period. Before the Group place deposits with COFCO Finance, the Group will obtain interest rates of similar deposit services from at ten major PRC commercial banks and PBC from their websites and select the highest of such quotations (the "**Quoted Deposit Interest Rate**") to compare with the COFCO Deposit Interest Rate to ensure the COFCO Deposit Interest Rate higher than the Quoted Deposit Interest Rate.

The maximum daily deposit amount (including accrued interests) placed by the Group with COFCO Finance shall not exceed equivalent of RMB900 million.

In the event that the Group suffers any financial loss by reason of the default of COFCO Finance, COFCO Finance shall compensate the Group for such loss suffered by the Group in accordance with the rules and regulations of PBC.

(b) Loan Services

COFCO Finance will provide RMB loan services to the Group pursuant to the 2022 Financial Services Agreement.

The interest rates to be charged by COFCO Finance for the provision of the Loan Services to the Group (the “**COFCO Loan Interest Rate**”) will be determined by the Company and COFCO Finance with reference to the interest rates of PBC from time to time. The interest rates on the Loan Services to be offered by COFCO Finance to the Group will not be higher than those offered by the ten major PRC commercial banks and PBC for same type of loans of the same period. Moreover, no security over the assets of the Group will be granted in respect of the financial assistance given by COFCO Finance. Before the Group obtain loans from COFCO Finance, the Group will obtain loan interest rates of similar loan services from at ten major PRC commercial banks and PBC from their websites (the “**Quoted Loan Interest Rate**”) and select the lowest of such quotations to compare with the COFCO Loan Interest Rate to ensure the COFCO Loan Interest Rate lower than the Quoted Loan Interest Rate.

(c) Entrustment Loan Services

COFCO Finance will provide the Entrustment Loan Services to the Group pursuant to the 2022 Financial Services Agreement. COFCO Finance will only act as agent of the Group and charge handling fees and other services fees in connection with the Entrustment Loan Services.

The handling fees and other services fees to be charged by COFCO Finance in connection with the Entrustment Loan Services shall not be higher than those offered by the ten major PRC commercial banks to the Group for similar type of services.

(d) *Other Financial Services*

COFCO Finance will provide the Other Financial Services to the Group in accordance with the permitted scope prescribed under the PRC financial policies and the Management Methods for Group Finance Companies (企業集團財務公司管理辦法) pursuant to the 2022 Financial Services Agreement. Handling fees and other services fees will be charged by COFCO Finance for the Other Financial Services provided to the Group pursuant to the 2022 Financial Services Agreement.

The handling fees and other services fees charged by COFCO Finance for the Entrustment Loan Services and Other Financial Services (the “**COFCO Handling Fee**”) will be determined with reference to the market rates of similar services as promulgated by PBC and will not be higher than those offered by the ten major PRC commercial banks to the Group for similar type of services.

The COFCO Handling Fee in aggregate shall not exceed equivalent of RMB4 million on an annual basis.

The Group may obtain financial services from other financial institutions in addition to those provided by COFCO Finance pursuant to the 2022 Financial Services Agreement.

Conditions Precedent

The 2022 Financial Services Agreement is conditional upon:

- (a) compliance with all necessary requirements under the Listing Rules, which include but not limited to the obtaining the approval of the Independent Shareholders at the EGM; and
- (b) obtaining any other relevant approvals as may be required for the 2022 Financial Services Agreement to take effect.

Settlement terms

Pursuant to the 2022 Financial Services Agreement, the relevant income, expense and fee thereunder shall be settled in accordance with the Measures for the Administration of RMB Bank Settlement Accounts and the Measures for Payment and Settlement issued by the PBC. Details of the settlement arrangement will be carried out as follows:

(i) Interest income from the Deposit Services

COFCO Finance pays its interests on a quarterly basis where the interests will be automatically deposited into the demand deposit account of the Group companies opened at COFCO Finance on the 21st day of the end of each quarter;

(ii) Interest expense of the Loan Services

COFCO Finance charges its interests on a quarterly basis where the interests will be deducted automatically from the demand deposit account of the Group companies opened at COFCO Finance on the 21st day of the end of each quarter. In the event of early repayment, the interests will be settled on the repayment date and deducted from the demand deposit account;

(iii) Handling fees and other service fees paid under the Entrustment Loan Services and Other Financial Services

The fees for the Entrustment Loan Services shall be settled annually by the end of each year. The interests of the Entrustment Loan Services are settled on a quarterly basis where the interests will be paid to the entrusting party on the interest settlement date. In the event of early repayment of entrustment loans, the interests will be settled on the repayment date and the interests will be paid to the entrusting party.

Termination

Save as described below, the 2022 Financial Services Agreement shall not be terminated by the parties unilaterally. In addition to the default events provided by the Contract Laws of the PRC, the 2022 Financial Services Agreement will be terminated with immediate effect if COFCO Finance fails to satisfy any operation condition as follows:

- (a) the capital adequacy ratio is not less than 12%;
- (b) the non-performing assets ratio is not more than 2%;
- (c) the bad loan ratio is not more than 3%;
- (d) the self-owned fixed assets to equity ratio is not more than 10%; or
- (e) investment balance to capital ratio is not more than 70%.

Upon termination of the 2022 Financial Services Agreement, the Group may withdraw its deposits with COFCO Finance at any time.

2. Measures of Determining the Pricing Terms

In order to ensure that the pricing terms of individual transactions under the Deposit Services, the Loan Services, the Entrustment Loan Services and the Other Financial Services will be made in accordance with the pricing principles as stated above, the Group and COFCO Finance shall carry out the measures below:

With respect to the Group, the establishment of an internal integrated assessment mechanism of the Group on the COFCO Deposit Interest Rate, COFCO Loan Interest Rate and COFCO Handling Fee will be established based on fair market principle. For example, an analysis and assessment will be conducted between the COFCO Deposit Interest Rate and the rates offered by the ten major PRC commercial banks and PBC to the Group before the Group deposits with COFCO Finance, and every fortnight or regularly during the maintenance of such deposit accounts. Prior to the engagement of the relevant financial service with COFCO Finance under the 2022 Financial Services Agreement, the Group will conduct an analysis and assessment between the COFCO Deposit Interest Rate, COFCO Loan Interest Rate or the COFCO Handling Fee (as the case maybe) with the corresponding interest rates or handling fees offered by the ten major PRC commercial banks and PBC to the Group to ensure the relevant interest rates or handling fee offered by COFCO Finance is on the best term to the Group. In the event the relevant interest rates or handling fees quoted from the ten major PRC commercial banks and PBC is better than those offered by COFCO Finance, the Group will inform COFCO Finance to adjust the same to ensure its interest rates or handling fees is the better than those offered by the ten major PRC commercial banks and PBC.

In the event COFCO Finance violates its relevant obligations thereunder and actually adopted an interest rate or charged a handling fee which is not on a better term to the Group as compared to those offered by the ten major PRC commercial banks and PBC, the Group may request COFCO Finance to compensate the differences to the Group. In respect of the Deposit Services under the 2022 Financial Services Agreement, the Group will obtain the Quoted Deposit Interest Rate every fortnight or regularly during the maintenance of its demand deposit in such deposit accounts. In the event COFCO Finance had adopted a COFCO Deposit Interest Rate lower than the Quoted Deposit Interest Rate for a particular day, the Group will demand COFCO Finance to compensate the difference between the interest receivable on its demand deposit under the Quoted Deposit Interest Rate and the COFCO Deposit Interest Rate.

With respect to COFCO Finance, a risk management committee and an independent audit department have been established where the risk management committee is responsible for the review of, approval for and decision-making on the pricing policies of deposit and lending business and various business risks of the company. The audit department is responsible for carrying out an independent audit on various businesses including the deposit, lending, entrustment loan and other financial services under the 2022 Financial Services Agreement. In addition, to ensure that the 2022 Financial Services Agreement is smoothly executed, COFCO Finance has appointed an independent external auditor to carry out a special audit on such connected transaction at the end of each quarter to manage and reduce the risk of the relevant businesses.

3. Historical transaction Amounts

Under the 2019 Financial Services Agreement, the annual caps for the deposit amount in relation to the Deposit Service and the handling fees and other service fees in relation to the Entrustment Loan Services and Other Financial Services are RMB900 million and RMB4 million, respectively. The historical transaction amounts between COFCO Finance and the Group in respect of the Deposit Services and the Entrustment Loans and Other Financial Services during the term under the 2019 Financial Services Agreement are set out below:

	Maximum historical deposit amount on a daily basis <i>Approx. (RMB)</i>	Historical handling fees and other service fees paid under the Entrustment Loan Services and Other Financial Services <i>(RMB)</i>
For the period from 23–31 December 2019	588,189,000	Nil
For the year ended 31 December 2020	899,322,000	Nil
For the year ended 31 December 2021	896,896,000	Nil
For the period from 1 January 2022 to 30 September 2022	891,587,000	Nil

4. Proposed Caps

Deposit Service

Prior to the entering into the 2022 Financial Services Agreement, the Group has placed money with COFCO Finance as deposits. The Board has considered and proposed the Proposed Deposit Cap in the amount equivalent of RMB900 million on a daily basis after considering the maximum daily outstanding balance of deposits (including accrued interest) placed by the Group with COFCO Finance, the deposit cap under the 2019 Financial Services Agreement of RMB900,000,000, which is equivalent to the Proposed Deposit Cap; and the historical deposit amounts during the term under the 2019 Financial Services Agreement as shown above which were near to the Proposed Deposit Cap.

In order to ensure that the Proposed Deposit Cap will not be exceeded, the Group will adopt the following measures to monitor the daily balance of the deposits made by the Group:

- (a) the finance department of the Company will monitor the daily balance of the deposit made by the Group with all financial institutions, including those with COFCO Finance, and will report on the Group's overall cash flow position to the relevant senior management of the Company for review and consideration of the overall funding position of the Group;
- (b) the Group will have the discretion to request for the withdrawal of all or part of the deposit placed with COFCO Finance to ensure the liquidity and safety of the deposited fund; and
- (c) COFCO Finance will provide an online platform to allow the finance department of the Company to monitor the balance of the Group's deposit on a daily basis, so as to ensure the deposit amount will not exceed the Proposed Deposit Cap.

Entrustment Loan Services and Other Financial Services

The Board considered and proposed the Proposed Entrustment Loan and Other Services Cap shall be RMB4 million after having considered the estimated amount of the handling fees and/or other service fees charged by the ten major PRC commercial banks to the Group for similar type of services. The historical handling fees and other service fees paid by the Group to COFCO Finance under the 2019 Financial Services Agreement were nil and significant less than the annual cap under the 2019 Financial Services Agreement and the Proposed Entrustment Loan and Other Services Cap since COFCO Finance had granted certain charge waivers to the Group during the term of the 2019 Financial Services Agreement. Nonetheless, such waivers were granted at the discretion of COFCO Finance and COFCO Finance has not guaranteed that it will continue to provide such waivers under the 2022 Financial Services Agreement. As such, the Board holds the view that the Proposed Entrustment Loan and Other Services Cap shall be set at RMB4 million.

UNDERTAKINGS BY COFCO

On 31 October 2022, COFCO provided the Undertakings to the Company in connection with the 2022 Financial Services Agreement, pursuant to which COFCO undertakes to the Company that:

- (a) it will maintain its controlling interest in COFCO Finance and ensure that COFCO Finance will operate under its prescribed scope of business;
- (b) it shall use its best endeavours and all probable and reasonable means to ensure that COFCO Finance will fulfill its obligations under the 2022 Financial Services Agreement; and
- (c) in the event that COFCO Finance has difficulties in repaying any money to the Group, COFCO will increase the working capital of COFCO Finance in order to enable it to fulfil its obligations under the 2022 Financial Services Agreement.

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

INFORMATION OF COFCO FINANCE

COFCO Finance is a non-banking financial institution and an indirect wholly-owned subsidiary of COFCO established in the PRC since 2002 with the approval of PBC. It is subject to the supervision of CBIRC. According to its business license, it is authorised to provide to the Group all services set out in the 2022 Financial Services Agreement. According to the business license, COFCO Finance is authorised to provide services such as (a) the provision of financial and financing consultation services, credit appraisal and relevant consulting services and agency business services; (b) assisting implementation of payables and receivables of the transaction amounts; (c) handling of deposits, loans and bills acceptance and discounting; (d) conduct settlements and other relevant settlements; and (e) the provision of loans and financing leases.

REASONS FOR AND BENEFITS OF THE 2022 FINANCIAL SERVICES AGREEMENT

PRC laws do not permit companies, including subsidiaries and associates, other than regulated financial institutions, to extend intra-group loans directly. Any such loan must be directed through a regulated financial institution. COFCO Finance is a non-banking financial institution approved and regulated by PBC and CBIRC, and is authorised to provide various kinds of financial services to COFCO and its member companies in the PRC, including deposit-taking and loan services.

The main reasons for the Group to enter into the 2022 Financial Services Agreement with COFCO Finance are as follows:

- (a) the use of COFCO Finance as a vehicle to manage the funds of the Group would allow more efficient deployment of funds between members of the Group;
- (b) the interest rates on the Deposit Services and the Loan Services offered, and the handling fees and other services fees in connection with the Entrustment Loan Services and the Other Financial Services charged, by COFCO Finance to the Group will be equal to or more favourable, on a case-by-case basis, than those offered to the Group by any third party;
- (c) COFCO Finance is regulated by PBC and CBIRC, and it provides services in accordance with and in satisfaction of the rules and operational requirements of these regulatory authorities. In addition, capital risk can be prevented through the implementation of the risk control measures as stipulated in the 2022 Financial Services Agreement;
- (d) the Group is expected to benefit from COFCO Finance's better understanding of the Group's operations which should render more expedient and efficient services than other commercial banks in the PRC;
- (e) the Undertakings from COFCO provide security and comfort to the Company by reducing the risks which the Group may be exposed to in the event of default of COFCO Finance under the 2022 Financial Services Agreement;
- (f) pursuant to the relevant regulations of PBC and CBIRC, the customers of COFCO Finance are limited to the group members of COFCO, which effectively reduce the risks that COFCO Finance may otherwise be exposed to if its customers include other entities unrelated to COFCO;
- (g) the arrangements under the 2022 Financial Services Agreement would promote liquidity among the Group, which will facilitate the settlement business of the members of the Group, enhance the overall ability of the Group to repay debts, and assist in monitoring and controlling financial risks;
- (h) the arrangements under the 2022 Financial Services Agreement would help reduce finance costs, accelerate the turnover of capital and reduce trading costs and expenses, thus enhancing the profitability of the Group;
- (i) the arrangements under the 2022 Financial Services Agreement would allow for prompt and accurate monitoring and regulation of the application of funds within the Group, thus enhancing the capital management and control of the Group; and

- (j) COFCO Finance has maintained good working relationship with the Group and its members over the years and their continuous cooperation can ensure higher work efficiency.

The Directors (excluding the independent non-executive Directors who will express their views in the circular) consider that the terms of the 2022 Financial Services Agreement have been negotiated on an arm's length basis and on normal commercial terms, and the transactions contemplated thereunder and the Proposed Deposit Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors also believe that the risk profile of COFCO Finance, as a financial services provider to the Group, is not greater than that of independent commercial banks in the PRC. As far as the Directors are aware, COFCO Finance has established stringent internal control measures to ensure effective risk management and compliance with laws and regulations.

In assessing the financial risks involved in placing deposits with COFCO Finance, the Directors (excluding the independent non-executive Directors who will express their views in the circular after having considered the advice to be given by the Independent Financial Adviser) have taken into account the following factors:

- (a) the operations of COFCO Finance are subject to the supervision of PBC and CBIRC and are regulated by the relevant PRC financial services rules and regulations;
- (b) COFCO Finance has established internal control and risk management systems in accordance with the relevant PRC financial services rules and regulations;
- (c) the finance department of the Company will report to the independent non-executive Directors on a quarterly basis;
- (d) the finance department of the Company will require COFCO Finance to appoint external auditors to audit the internal controls, risk management, completeness and impartiality of the operational system in respect of the transactions contemplated under the 2022 Financial Services Agreement and to provide relevant risk management report on a quarterly basis; and
- (e) the external auditors of the Company will review the transactions contemplated under the 2022 Financial Services Agreement and report the factual findings to the audit committee of the Company and the independent non-executive Directors on an annual basis.

Mr. Zhang Xin, Dr. Zhao Wei and Mr. Meng Fanjie, all being Directors connected with COFCO, have abstained from voting on the resolutions in respect of 2022 Financial Services Agreement. Save as the Directors mentioned above, none of the Directors has other material interests in the 2022 Financial Services Agreement and is required to abstain from voting on the resolutions in relation thereto.

LISTING RULES IMPLICATIONS

Continuing Connected Transactions

COFCO is a substantial shareholder of the Company interested in 330,658,800 Shares, representing approximately 29.70% equity interest in the Company. COFCO Finance is an indirect wholly-owned subsidiary of COFCO and is therefore a connected person of the Company. Accordingly, the 2022 Financial Services Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under the Listing Rules.

Since the Loan Services are on normal commercial terms (or better to the Group) where no security over the assets of the Group will be granted in respect of the financial assistance given by COFCO Finance, the Loan Services are exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) in respect of the handling fees and other services fees in connection with the Entrustment Loan Services and the Other Financial Services are on an annual basis more than 0.1% but less than 5%, the Entrustment Loan Services and the Other Financial Services are subject to the reporting, announcement and annual review requirement but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Deposit Services are more than 5%, and the total value of the Deposit Services is over HK\$10,000,000, the Deposit Services and the Proposed Deposit Cap are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Discloseable Transaction

Further, as the applicable percentage ratios in respect of the Deposit Services are more than 5% but all less than 25%, the Deposit Services also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

The EGM will be convened to obtain the Independent Shareholders' approval regarding the Deposit Services and the Proposed Deposit Cap. A circular containing, among others, (i) details of the 2022 Financial Services Agreement, the transactions contemplated thereunder and the Proposed Deposit Cap; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders, and (iii) a letter of advice by an independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or before 21 November 2022 in accordance with the Listing Rules.

DEFINITIONS

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

“2019 Financial Services Agreement”	the Financial Services Agreement in relation to the Deposit Services, the Loan Services, the Entrustment Loan Services and the Other Financial Services entered into between the Company, CPMC Investment and COFCO Finance on 7 November 2019
“2022 Financial Services Agreement”	the Financial Services Agreement in relation to the Deposit Services, the Loan Services, the Entrustment Loan Services and the Other Financial Services entered into among the Company, CPMC Investment and COFCO Finance on 31 October 2022
“associates”	has the same meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors

“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“COFCO”	COFCO Corporation (中糧集團有限公司), a wholly state-owned company established in the PRC which is currently under the purview of State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會), and a substantial shareholder of the Company
“COFCO Finance”	中糧財務有限責任公司 (COFCO Finance Company Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of COFCO
“Company”	CPMC Holdings Limited (中糧包裝控股有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“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
“Deposit Services”	the deposit and related services to be provided by COFCO Finance to the Group under the 2022 Financial Services Agreement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve, among other things, the Deposit Services and the Proposed Deposit Cap
“Entrustment Loan Services”	the provision of entrustment loans among members of the Group through COFCO Finance, which will only act as agent of the Group, under the 2022 Financial Services Agreement
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising Mr. Cheng Yuk Wo, Mr. Pun Tit Shan and Mr. Chen Jihua, being all the independent non-executive Directors, to be established for the purpose of advising the Independent Shareholders on the terms of the Deposit Services and the Proposed Deposit Cap
“Independent Shareholders”	Shareholders other than COFCO, COFCO Finance and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Services”	the loan and related services to be provided by COFCO Finance to the Group under the 2022 Financial Services Agreement
“Other Financial Services”	apart from the Deposit Services, the Loan Services and the Entrustment Loan Services, other financial services, including settlement services, forex-trading services and other related consultancy and agency services to be provided by COFCO Finance to the Group under the 2022 Financial Services Agreement
“PBC”	People’s Bank of China (中國人民銀行)
“PRC”	the People’s Republic of China, which, for the purpose of this announcement only, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Deposit Cap”	the proposed maximum daily outstanding balance of deposits (including accrued interest) placed by the Group with COFCO Finance in the amount equivalent of RMB900 million during the Term pursuant to the 2022 Financial Services Agreement
“Proposed Entrustment Loan and Other Services Cap”	the proposed maximum annual amount of handling fees and other service fees payable by the Group to COFCO Finance during the Term pursuant to the 2022 Financial Services Agreement

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the term of three (3) years commencing on the date on which the 2022 Financial Services Agreement is approved by Independent Shareholders at the EGM
“Undertakings”	the undertakings provided by COFCO in favour of the Company on 31 October 2022 in connection with the 2022 Financial Services Agreement

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

Hong Kong, 31 October 2022

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