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**CHAMPION HOLDING
(BVI) CO., LTD**

*(incorporated in the British Virgin Islands
with limited liability)*

CPMC HOLDINGS LIMITED
中糧包裝控股有限公司

(incorporated in Hong Kong with limited liability)
(Stock code: 906)

JOINT ANNOUNCEMENT

- (1) PRE-CONDITIONAL VOLUNTARY GENERAL CASH OFFER BY 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);**
- (2) IRREVOCABLE UNDERTAKING BY CHINA FOODS;**
- (3) PROPOSED TAKE PRIVATE AND PROPOSED WITHDRAWAL OF LISTING;**
- (4) ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE;**
- AND**
- (5) RESUMPTION OF TRADING**

Financial adviser to the Offeror



Shenwan Hongyuan Capital (H.K.) Limited

INTRODUCTION

Reference is made to the Rule 3.7 Announcement and the monthly updates in the form of CPMC's announcements dated 15 September 2023, 28 September 2023, 27 October 2023 and 27 November 2023 regarding the Potential Transaction and the Possible Offer. The Offeror and CPMC jointly announce that Shenwan Hongyuan, for and on behalf of the Offeror, will make a pre-conditional voluntary general cash offer to acquire all of the Shares with the intention to take private CPMC.

THE OFFER

Offer Price

The Offer will be made by Shenwan Hongyuan for and on behalf of the Offeror on the following basis:

For each Offer Share HK\$6.87 in cash

Value of the Offer

Assuming that there is no change in the issued share capital of CPMC from the date of this joint announcement 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 date of this joint announcement, 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. has agreed to provide a loan facility to the Offeror to pay for the total consideration under the Offer as well as costs and expenses relating to the Offer and payable by the Offeror.

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 in full its payment obligation in respect of the cash consideration payable under the Offer.

Pre-conditions of the Offer

The making of the Offer is subject to the satisfaction of the following Pre-Conditions (as the case may require) by the Pre-Conditions Long Stop Date:

- (a) the receipt of antitrust clearance from the SAMR and other international antitrust review authorities; and
- (b) the obtaining of approvals or authorisations from the NDRC, MOFCOM and SAFE in connection with the Offer; and
- (c) the obtaining of approvals or authorisations from SASAC in connection with the Offer.

Based on the information currently available to the Offeror, it is currently contemplated that the making of the Offer may also be subject to receipt of antitrust clearance from other international antitrust review authorities. The Offeror and CPMC will issue further announcement(s) as soon as possible upon identification of such jurisdiction(s) for which antitrust clearance is required. As a state-owned entity, the Offeror is required to obtain the authorisation from SAFE for the remittance of funds outbound for repayment of the external financing for the making of the Offer as an administrative procedure.

The Offeror shall take all necessary actions to procure all approvals which are necessary for the consummation of the Offer, including but not limited to any approval and authorisation by, and filing and registration with, SAMR, NDRC, MOFCOM, SAFE, SASAC and the relevant international antitrust review authorities.

None of the Pre-Conditions is waivable. The Offeror will take all steps necessary to fulfil the Pre-Conditions. The Offeror will issue a further announcement as soon as practicable after the Pre-Conditions have been satisfied. If the Pre-Conditions are not satisfied on or before the Pre-Conditions Long Stop Date, the Offer will not be made, and a further announcement will be made accordingly.

WARNING: The Pre-Conditions must be satisfied before the making of the Offer. The making of the Offer is therefore a possibility only and all references to the Offer in this joint announcement are references to the possible Offer which will be implemented if and only if the Pre-Conditions are satisfied. Accordingly, Shareholders and prospective investors of CPMC are advised to exercise caution when dealing in the securities of CPMC.

Conditions of the Offer

The Offer will be 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 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 the Composite 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 OF 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. The Offer must also remain open for acceptance for at least 14 days after the Offer becomes unconditional in all respects.

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

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 as represents 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 within, but not exceeding, the period of four months after the posting of the Composite Document, 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. CPMC will comply with the relevant requirements of the Listing Rules in this regard.

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 within seven business days (as defined in the Takeovers Code) following 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 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.

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 of the Listing Rules.

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 Irrevocable Undertaking will be terminated immediately upon (i) the Offer having been withdrawn, lapsed or closed, (ii) the Pre-Conditions not having been satisfied on or before the Pre-Conditions Long Stop Date, or (iii) the written consent of the Offeror and China Foods, whichever is earlier.

PUBLIC FLOAT

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. As at the date of this joint announcement, the public float of CPMC is approximately 20.75%

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 Offeror and CPMC will 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.**

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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

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

DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offer and CPMC is required to send to the Shareholders within 14 days of the posting of the offer document a response circular containing, among other things, financial information of CPMC and other information required under the Takeovers Code. It is the intention of the Offeror and CPMC that the offer document and the offeree board circular in respect of the Offer be combined in the Composite Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offer is subject to the prior fulfilment or waiver (as the case may be) of the Pre-Conditions and the Pre-Conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code.

As the making of the Offer is conditional upon satisfaction of the Pre-Conditions, an application will be made to the Executive to extend the deadline for the despatch of the Composite Document, together with the form of acceptance and transfer or cancellation, as the case may be, to a date within seven days after the satisfaction of the Pre-Conditions or 25 July 2024, whichever is the earlier. Further announcement(s) will be made in this regard as and when necessary.

WARNING

Shareholders and potential investors of CPMC should note that there is no assurance that the Offer will proceed. CPMC will publish announcement(s) to update the status of the Offer as and when appropriate. Shareholders and potential investors of CPMC are therefore advised to exercise caution when dealing in the securities of CPMC, and if they are in any doubt about their position, they should consult their professional adviser(s).

RESUMPTION OF TRADING

At the request of CPMC, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 30 November 2023 pending the release of this joint announcement. Application has been made by CPMC to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 7 December 2023.

NOTICE TO U.S. HOLDERS OF THE SHARES

The Offer is being made for the securities of a company incorporated in Hong Kong with limited liability and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this joint announcement has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the U.S. pursuant to the applicable U.S. tender offer rules and otherwise in accordance with the requirements of the SFO. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a U.S. holder of the Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of the Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

U.S. holders of the Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as each of the Offeror and CPMC is located in a country outside the United States and some or all of their respective officers and directors may be residents of a country other than the United States. U.S. holders of the Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. holders of the Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, the Shares outside of the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. In accordance with the Takeovers Code and Rule 14e-5(b) of the U.S. Exchange Act, Shenwan Hongyuan and its affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange.

These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that (i) any such purchase or arrangement complies with applicable law, including but not limited to the Takeovers Code, and is made outside the United States and (ii) if applicable, the Offer Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC and, to the extent made public by the SFC, will be available on the websites of the SFC at <http://www.sfc.hk> and the Stock Exchange at <http://www.hkexnews.hk>.

1. INTRODUCTION

Reference is made to the Rule 3.7 Announcement and the monthly updates in the form of CPMC's announcements (together with the Rule 3.7 Announcement, the "**Announcements**") dated 15 September 2023, 28 September 2023, 27 October 2023 and 27 November 2023 regarding the Potential Transaction and the Possible Offer. The Offeror and CPMC jointly announce that Shenwan Hongyuan, for and on behalf of the Offeror, will make a pre-conditional voluntary general cash offer to acquire all of the Shares with the intention to take private CPMC.

As at the date of this joint announcement:

- (a) there are 1,113,423,000 Shares in issue;
- (b) CPMC:
 - (i) does not have any options, derivatives, warrants or securities which are convertible or exchangeable into the Shares or which confer rights to require the issue of the Shares;
 - (ii) has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into the Shares or which confer rights to require the issue of the Shares; and
 - (iii) has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares; and
- (c) 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.

2. THE OFFER

Offer Price

The Offer will be made by Shenwan Hongyuan for and on behalf of the Offeror on the following basis:

For each Offer Share HK\$6.87 in cash

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

- (a) 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;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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;

- (i) 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;
- (j) 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;
- (k) a premium of approximately 27.0% to the audited consolidated net asset value attributable to owners of CPMC per Share of approximately RMB4.83 (equivalent to approximately HK\$5.41) as at 31 December 2022, calculated based on (i) the Group's audited consolidated net assets attributable to owners of CPMC of approximately RMB5,378,744,000 as at 31 December 2022; (ii) 1,113,423,000 Shares in issue as at the date of this joint announcement; and (iii) the exchange rate of HK\$1:RMB0.89327, being the median exchange rate on 30 December 2022 as announced by the People's Bank of China; and
- (l) a premium of approximately 30.2% to the unaudited consolidated net asset value per Share attributable to owners of CPMC of approximately RMB4.87 (equivalent to approximately HK\$5.28) as at 30 June 2023, calculated based on (i) the Group's unaudited consolidated net assets attributable to owners of CPMC of approximately RMB5,418,169,000 as at 30 June 2023; (ii) 1,113,423,000 Shares in issue as at the date of this joint announcement; and (iii) the exchange rate of HK\$1:RMB0.92198, being the median exchange rate on 30 June 2023 as announced by the People's Bank of China.

Highest and Lowest Share prices

During the six-month period immediately prior to 17 August 2023 (being the date of publication of the Rule 3.7 Announcement and the commencement of the offer period (as defined under the Takeovers Code)) up to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$6.60 per Share on 9 November 2023, 23 November 2023 and 24 November 2023 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$3.77 per Share on 27 June 2023.

Value of the Offer

Assuming that there is no change in the issued share capital of CPMC from the date of this joint announcement 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 date of this joint announcement, 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. has agreed to provide a loan facility to the Offeror to pay for the total consideration under the Offer as well as costs and expenses relating to the Offer and payable by the Offeror.

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 in full its payment obligation in respect of the cash consideration payable under the Offer.

Pre-conditions of the Offer

The making of the Offer is subject to the satisfaction of the following Pre-Conditions (as the case may require) by the Pre-Conditions Long Stop Date:

- (a) the receipt of antitrust clearance from the SAMR and other international antitrust review authorities;
- (b) the obtaining of approvals or authorisations from the NDRC, MOFCOM and SAFE in connection with the Offer; and
- (c) the obtaining of approvals or authorisations from SASAC in connection with the Offer.

Based on the information currently available to the Offeror, it is currently contemplated that the making of the Offer may also be subject to receipt of antitrust clearance from other international antitrust review authorities. The Offeror and CPMC will issue further announcement(s) as soon as possible upon identification of such jurisdiction(s) for which antitrust clearance is required. As a state-owned entity, the Offeror is required to obtain the authorisation from SAFE for the remittance of funds outbound for repayment of the external financing for the making of the Offer as an administrative procedure.

The Offeror shall take all necessary actions to procure all approvals which are necessary for the consummation of the Offer, including but not limited to any approval and authorisation by, and filing and registration with, SAMR, NDRC, MOFCOM, SAFE, SASAC and the relevant international antitrust review authorities.

None of the Pre-Conditions is waivable. The Offeror will take all steps necessary to fulfil the Pre-Conditions. The Offeror will issue a further announcement as soon as practicable after the Pre-Conditions have been satisfied. If the Pre-Conditions are not satisfied on or before the Pre-Conditions Long Stop Date, the Offer will not be made, and a further announcement will be made accordingly.

WARNING: The Pre-Conditions must be satisfied before the making of the Offer. The making of the Offer is therefore a possibility only and all references to the Offer in this joint announcement are references to the possible Offer which will be implemented if and only if the Pre-Conditions are satisfied. Accordingly, Shareholders and prospective investors of CPMC are advised to exercise caution when dealing in the securities of CPMC.

Conditions of the Offer

The Offer will be 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 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 the Composite 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 OF 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. The Offer must also remain open for acceptance for at least 14 days after the Offer becomes unconditional in all respects.

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

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.

3. POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

If the Offeror acquires such number of Shares under the Offer as represents 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 within, but not exceeding, the period of four months after the posting of the Composite Document, 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. CPMC will comply with the relevant requirements of the Listing Rules in this regard.

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 within seven business days (as defined in the Takeovers Code) following 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 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.

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 of the Listing Rules.

4. 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 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 the Composite Document, in any event. Any dividend or other distribution the record date of which is before the date of the despatch of the Composite Document will be paid by CPMC to the Shareholders who are qualified for such dividend or distributions. As at the date of this joint announcement, CPMC does not have any declared and unpaid dividend and does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of the Offer.

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 within seven (7) business days of (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.

Overseas Shareholders

The making of the Offer (if and when made) 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.

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, CPMC, the Independent Financial Adviser 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.

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 during the six-month period prior to 17 August 2023 (being the date of commencement of the offer period) and the period thereafter up to and including the date of this joint announcement.

The Offeror's Confirmation

The Offeror confirms that, as at the date of this joint announcement:

- (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 or have control or direction 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) the Offeror and parties acting in concert with it do not hold any convertible securities, warrants or options or securities exchangeable into the Shares;
- (d) the Offeror and parties acting in concert with it have not entered into any outstanding derivatives in respect of the securities of CPMC;
- (e) save for the Pre-Conditions and the Conditions, the Offer will not be subject to any conditions;
- (f) 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);
- (g) there are no agreements or arrangements to which the Offeror or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (h) 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;
- (i) save for the consideration in respect of acceptance of the Offer, there is no other consideration, compensation or benefits in whatever form paid or to be paid) by the Offeror or parties acting in concert with it to the Shareholders or parties acting in concert with any of them in respect of the Shares under the Offer;
- (j) 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) (a) the Offeror and any person acting in concert with it; or (b) CPMC, its subsidiaries or associated companies; and
- (k) 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.

5. 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 Irrevocable Undertaking will be terminated immediately upon (i) the Offer having been withdrawn, lapsed or closed, (ii) the Pre-Conditions not having been satisfied on or before the Pre-Conditions Long Stop Date, or (iii) the written consent of the Offeror and China Foods, whichever is earlier.

6. REASONS AND BENEFITS OF THE OFFER AND THE OFFEROR'S INTENTION ON CPMC

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

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.

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 within, but not exceeding, the period of four months after the posting of the Composite Document, 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 parties acting in concert with it 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.

As at the date of this joint announcement, the Offeror has not decided on the future composition of the Board. The current Directors have not decided on whether to resign when permitted to do so under the Takeovers Code. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by CPMC as and when appropriate.

Save as aforesaid, the Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Group, nor does it have any intention to make any significant changes to the continued employment of the Group's employees.

Maintaining the listing status of the Shares requires the 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. 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 and could avoid the pressure from market expectations and stock price fluctuation as a listed company, and it could re-allocate management resources originally applied towards the Group's administration, compliance and other matters relating to its listing status towards the business operations.

7. GENERAL INFORMATION

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 date of this joint announcement, 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 the Group

CPMC is a limited liability company incorporated in Hong Kong, and is an investment holding company. The Group is principally engaged in the manufacturing and sales of packaging products for consumer goods such as food, beverages and household chemical products in the PRC.

Financial information of the Group

Set out below is the financial information of the Group for the two financial years ended 31 December 2021 and 31 December 2022 and the six months ended 30 June 2023 prepared in accordance with Hong Kong Financial Reporting Standards:

	For the financial year ended 31 December		For the six months ended 30 June	
	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	9,566,382	10,255,225	5,226,576	5,293,583
Profit (loss) before income tax	566,659	596,093	301,079	335,456
Profit (loss) after income tax	473,459	484,678	262,461	271,568

Based on the audited consolidated financial information of CPMC as at 31 December 2022, the consolidated total assets and consolidated net assets attributable to the Shareholders were approximately RMB14,074,506,000 and RMB5,378,744,000, respectively.

8. SHAREHOLDING STRUCTURE OF CPMC

The table below sets out the shareholding structure of CPMC as at the date of this joint announcement and immediately after the completion of the Offer (assuming that the Offer is fully accepted by the Shareholders):

Shareholders	As at the date of this joint announcement		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%
Sub-total	<u>–</u>	<u>–</u>	<u>1,113,423,000</u>	<u>100.00%</u>
<i>Shareholders:</i>				
China Foods (Note 1)	330,658,800	29.70%	–	–
ORG Development Limited (Note 2)	269,341,200	24.19%	–	–
Zhang Wei	244,000,000	21.91%	–	–
Yuanqing Investment Limited (Note 4)	12,160,000	1.09%	–	–
Hubei ORG Tinplate Printing & Can Making Co., Ltd. (Note 2)	2,326,000	0.21%	–	–
Sub-total	<u>858,486,000</u>	<u>77.10%</u>	<u>–</u>	<u>–</u>
<i>Directors:</i>				
Zhang Xin (Note 3)	14,560,000	1.31%	–	–
Zhang Ye (Note 3)	9,366,000	0.84%	–	–
Sub-total	<u>23,926,000</u>	<u>2.15%</u>	<u>–</u>	<u>–</u>
Other public Shareholders	<u>231,011,000</u>	<u>20.75%</u>	<u>–</u>	<u>–</u>
Total	<u><u>1,113,423,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,113,423,000</u></u>	<u><u>100.00%</u></u>

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. Mr. Zhang Xin and Mr. Zhang Ye, each an executive Director as at the date of this joint announcement.
4. Yuanqing Investment Limited holds 12,160,000 Shares. Yuanqing Investment Limited is owned as to approximately 80.00% by Mr. Zhang Wei. Therefore, Mr. Zhang Wei is deemed to be interested in all the Shares held by Yuanqing Investment Limited.

9. PUBLIC FLOAT

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. As at the date of this joint announcement, the public float of CPMC is approximately 20.75%.

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 Offeror and CPMC will 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.**

10. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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

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

11. DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offer and CPMC is required to send to the Shareholders within 14 days of the posting of the offer document a response circular containing, among other things, financial information of CPMC and other information required under the Takeovers Code. It is the intention of the Offeror and CPMC that the offer document and the offeree board circular in respect of the Offer be combined in the Composite Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offer is subject to the prior fulfilment or waiver (as the case may be) of the Pre-Conditions and the Pre-Conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code.

As the making of the Offer is conditional upon satisfaction of the Pre-Conditions, an application will be made to the Executive to extend the deadline for the despatch of the Composite Document, together with the form of acceptance and transfer or cancellation, as the case may be, to a date within seven days after the satisfaction of the Pre-Conditions or 25 July 2024, whichever is the earlier. Further announcement(s) will be made in this regard as and when necessary.

12. DEALINGS DISCLOSURE

For the purposes of the Takeovers Code, the offer period commenced on 17 August 2023. Save for a total of 1,113,423,000 Shares in issue, CPMC has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement. In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including, among others, any person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of CPMC or the Offeror) of CPMC and the Offeror are hereby reminded to disclose their dealings in the relevant securities of CPMC under Rule 22 of the Takeovers Code.

13. RESPONSIBILITIES OF STOCK BROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

WARNING

Shareholders and potential investors of CPMC should note that there is no assurance that the Offer will proceed. CPMC will publish announcement(s) to update the status of the Offer as and when appropriate. Shareholders and potential investors of CPMC are therefore advised to exercise caution when dealing in the securities of CPMC, and if they are in any doubt about their position, they should consult their professional adviser(s).

RESUMPTION OF TRADING

At the request of CPMC, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 30 November 2023 pending the release of this joint announcement. Application has been made by CPMC to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 7 December 2023.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Baowu”	China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司), a company established in the PRC with limited liability;
“Board”	the board of Directors;
“Changping Industrial”	Changping (Hangzhou) Industrial Holdings Co., Ltd. (長平(杭州)實業控股有限公司), a company established in the PRC with limited liability;
“China Foods”	China Foods (Holdings) Limited, a company incorporated in the British Virgin Islands;
“China Reform Investment”	China Reform Investment Co., Ltd. (國新投資有限公司), a company established in the PRC with limited liability;
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code and/or approved by the Executive;

“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Composite Document”	the composite offer and response document expected to be jointly issued by the Offeror and CPMC in connection with the Offer in accordance with the Takeovers Code;
“Compulsory Acquisition Entitlement Period”	the period commencing on the date of the Composite Document and ending on the date falling four months after the date of the Composite Document (or such later date as the SFC may permit for the requisite level of acceptances to be reached in order for the Offeror to undertake compulsory acquisition);
“Conditions”	the conditions of the Offer, as set out in the section headed “Conditions of the Offer” of this joint announcement;
“CPMC”	CPMC Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 906);
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	director(s) of CPMC;
“Disinterested Shares”	Shares other than those which are owned by the Offeror and parties acting in concert with it;
“Disinterested Shareholder(s)”	holder(s) of the Disinterested Share(s);
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of its delegates;
“Group”	CPMC and its subsidiaries from time to time;
“HK\$” or “Hong Kong Dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;

“Independent Board Committee”	the independent committee of the Board established pursuant to Rule 2.1 of the Takeovers Code comprising two non-executive Directors (Mr. Zhou Yuan and Mr. Shen Tao) and all independent non-executive Directors (Mr. Cheng Yuk Wo, Mr. Pun Tit Shan and Mr. Chen Jihua) as described in the section headed “10. Independent Board Committee and Independent Financial Adviser” of this joint announcement;
“Independent Financial Adviser”	the independent financial adviser to be appointed by CPMC with the approval of the Independent Board Committee to advise the Independent Board Committee in relation to the Offer;
“Independent Shareholder(s)”	Shareholders other than the Offeror and parties acting in concert with it;
“Irrevocable Undertaking”	the irrevocable undertaking to accept the Offer dated 6 December 2023 given by China Foods to the Offeror as described in the section headed “The Irrevocable Undertaking” in this joint announcement;
“Last Trading Day”	29 November 2023, being the final day of trading prior to the trading suspension in the Shares and the last trading day for the Shares before the date of this joint announcement;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“MOFCOM”	Ministry of Commerce of the PRC or its authorised local agency, as applicable;
“NDRC”	National Development and Reform Commission of the PRC;
“Offer”	the pre-conditional voluntary general cash offer by Shenwan Hongyuan on behalf of the Offeror to acquire all the issued shares of CPMC (other than those already owned or agreed to be acquired by the Offeror or parties acting in concert with it) in accordance with the Takeovers Code;

“Offeror”	Champion HOLDING (BVI) CO., LTD, a joint venture incorporated in the British Virgin Islands;
“Offer Price”	HK\$6.87 per Share in respect of the Offer;
“Offer Share(s)”	any and all of the issued Share(s) (other than the Shares owned or agreed to be acquired by the Offeror or parties acting in concert with it);
“Overseas Shareholder(s)”	Shareholders whose names appear on the register of members of CPMC during the acceptance period under the Offer and whose addresses as shown on such register are outside Hong Kong;
“Possible Offer”	a possible general cash offer led by a potential buyer’s intentional acquisition of more Shares from other Shareholders as previously disclosed in the Rule 3.7 Announcement;
“Potential Transaction”	the possible acquisition of part or all of the Shares beneficially owned by COFCO Corporation, a substantial shareholder of CPMC as previously disclosed in the Rule 3.7 Announcement;
“PRC”	People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Pre-Conditions”	the pre-conditions of the Offer described in the section headed “Pre-Conditions of the Offer” in this joint announcement;
“Pre-Conditions Long Stop Date”	18 July 2024 or such later date as may be agreed by the Offeror and CPMC and as permitted by the Executive;
“RMB”	Renminbi, the lawful currency of the PRC;
“Rule 3.7 Announcement”	the announcement of CPMC dated 17 August 2023 made pursuant to Rule 3.7 of the Takeovers Code;
“SAFE”	State Administration of Foreign Exchange of the PRC;
“Sale Shares”	330,658,800 Shares, representing approximately 29.7% of the total issued shares of CPMC owned by China Foods as at the date of this joint announcement;

“SAMR”	State Administration for Market Regulation of the PRC;
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	issued share(s) of CPMC;
“Shareholder(s)”	holder(s) of the Share(s);
“Shenwan Hongyuan”	Shenwan Hongyuan Capital (H.K.) Limited, the financial adviser to the Offeror in respect of the Offer. Shenwan Hongyuan is a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to that term in the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong;
“United States/U.S.”	United States of America; and
“U.S. Exchange Act”	United States Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

By order of the board of directors of
CHAMPION HOLDING (BVI) CO., LTD
Li Jiantao
Sole Director

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

Hong Kong, 6 December 2023

As at the date of this joint 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.

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

As at the date of this announcement, (i) the directors of Baowu are Mr. Hu Wangming, Mr. Hou Angui, Mr. Tang Fuping, Mr. Luo Jianchuan, Mr. Zhang Guohou, Mr. Cheng Daoran, Mr. Hu Zhanghong and Mr. Zhang Helei; (ii) the directors of Changping Industrial are Ms. Lu Qiaoling, Mr. Li Jiantao, Mr. Zhang Xiaojun, Mr. Xiao Linxing and Ms. Zong Yuran; and (iii) the sole director of the Offeror is Mr. Li Jiantao.

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

** For identification purposes only*