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**HUARUI FENGQUAN
DEVELOPMENT LIMITED**

(incorporated in Hong Kong with limited liability)



**中糧
COFCO**
自然之源 重塑你我



CPMC HOLDINGS LIMITED

中糧包裝控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 906)

**MONTHLY UPDATE ON THE PRE-CONDITIONAL VOLUNTARY
GENERAL CASH OFFER BY CHINA SECURITIES (INTERNATIONAL)
CORPORATE FINANCE COMPANY LIMITED ON BEHALF OF
HUARUI FENGQUAN DEVELOPMENT LIMITED TO ACQUIRE
ALL OF THE ISSUED SHARES IN THE COMPANY (OTHER THAN
THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY
HUARUI FENGQUAN DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT) AND UPDATE
REGARDING THE SATISFACTION OF A PRE-CONDITION**

Financial adviser to Huarui



中信建投國際
CHINA SECURITIES INTERNATIONAL

References are made to (i) the announcement dated 7 June 2024 (the “**3.5 Announcement**”) and the clarification announcement dated 11 June 2024 in relation to the 3.5 Announcement jointly issued by Huarui Fengquan Development Limited (“**Huarui**”) and CPMC Holdings Limited (the “**Company**”) in relation to, among other things, the pre-conditional voluntary general cash offer by China Securities (International) Corporate Finance Company Limited on behalf of Huarui to acquire all of the issued shares in the Company (other than those already owned by or agreed to be acquired by Huarui and parties acting in concert with it); (ii) the announcement dated 28 June 2024 in relation to the delay in despatch of the Huarui Offer Document; and (iii) the announcements (collectively, the “**Update Announcement(s)**”) dated 29 July 2024, 28 August 2024, 29 August 2024, 3 September 2024 and 24 September 2024 in relation to the update of the Huarui Offer. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the 3.5 Announcement and the Update Announcements.

UPDATES ON THE HUARUI OFFER

As disclosed in the 3.5 Announcement, the making of the Huarui Offer is subject to the satisfaction of the Pre-Conditions by the Pre-Conditions Long Stop Date. The Pre-Conditions includes, among other things, the Shenzhen Stock Exchange having expressed that it has no further comment on the responses to its enquiry in respect of the MAR Report, and the approval by the shareholders of Huarui Parent of the Huarui Offer and the transactions contemplated thereunder.

As disclosed in the Update Announcement dated 3 September 2024, Huarui Parent published, among other things, the MAR Report on the Shenzhen Stock Exchange for the purpose of compliance with the relevant requirements under the MAR Measures and other relevant rules of the CSRC and the Shenzhen Stock Exchange.

Since then, the Shenzhen Stock Exchange issued its comment letter (the “**Comment Letter**”) in respect of the MAR Report to Huarui Parent. In response to the Comment Letter, Huarui Parent published on the Shenzhen Stock Exchange, among other thing, (i) Huarui Parent’s response to the Comment Letter (the “**Response to Comment Letter**”); and (ii) a revised MAR report (the “**Revised MAR Report**”) addressing the Comment Letter. The Shenzhen Stock Exchange has also informed Huarui Parent that after receiving the Response to Comment Letter, it has no further comment on the Response to Comment Letter and the Revised MAR Report, and therefore Pre-Condition (a)(2) has been fulfilled.

Extracts of the relevant parts of the Response to Comment Letter containing material information with Takeovers Code implications are attached in the Appendix to this announcement. The full text of the Response to Comment Letter, the Revised MAR Report and other ancillary documents are published in Chinese on the website of the Shenzhen Stock Exchange (www.szse.cn).

For the purpose of satisfying Pre-Condition (b), Huarui Parent has issued a notice for convening the general meeting on 11 November 2024 for its shareholders to consider and, if thought fit, approve the Huarui Offer and the transactions contemplated thereunder.

Save as disclosed above, there are no further updates on the fulfilment of the Pre-Conditions. Huarui will continue to work towards the satisfaction of the remaining items under Pre-Conditions (a)(1) and (b).

Further announcement(s) will be made by Huarui on the latest status of the Huarui Offer and the timing of despatch of the Huarui Offer Document as and when appropriate.

WARNING: Shareholders and potential investors should note the Response to Comment Letter, and the Revised MAR Report contain information of the Company prepared under the relevant requirements under the MAR Measures and other relevant rules of the CSRC and the Shenzhen Stock Exchange, and are issued and published on the Shenzhen Stock Exchange in connection with the MAR of the Huarui Parent for the purpose of compliance with the MAR Measures and other relevant rules of the CSRC and the Shenzhen Stock Exchange.

Shareholders and potential investors are advised to refer to the information to be provided in the offer document to be published by Huarui and the response document to be published by the Company (including but not limited to the letter from the independent financial adviser) as well as other announcements and documents published by Huarui and/or the Company on the website of the Stock Exchange when considering the Huarui Offer.

WARNING: The Pre-Conditions must be satisfied before the making of the Huarui Offer. The making of the Huarui Offer is therefore a possibility only and all references to the Huarui Offer in this joint announcement are references to the possible offer which will be implemented if and only if the Pre-Conditions are satisfied. Shareholders and potential investors of the Company should note that there is no assurance that the Huarui Offer will proceed. The Huarui Offer may or may not become unconditional and will lapse if it does not become unconditional. Huarui will publish announcement(s) to update the status of the Huarui Offer as and when appropriate. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By order of the board of directors of
Huarui Fengquan Development Limited
Mr. Zhou Yuan
Director

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

Hong Kong, 24 October 2024

As at the date of this joint announcement, the chairman of the Board and executive Director is Mr. Zhang Ye, the executive Director is Mr. Qu Hongliang, 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 Huarui 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 Huarui and the directors of Huarui Parent) 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 joint announcement, the directors of Huarui are Mr. Zhou Yuan, Mr. Shen Tao, and Mr. Gao Libing. The directors of Huarui jointly and severally accept full responsibility for the accuracy of the 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 that there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the directors of Huarui Parent are Mr. Zhou Yunjie, Mr. Zhou Yuan, Mr. Shen Tao, Mr. Qin Feng, Ms. Tong Fangyan, Mr. Zhou Yunhai, Mr. Xu Wencai, Mr. Zhang Lishang and Mr. Zhou Bo.

The directors of Huarui Parent jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, 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 statements in this joint announcement misleading.

APPENDIX

EXTRACTS OF THE RESPONSE TO COMMENT LETTER

Chinese Version

1、上市公司比較法可比公司選取標準

《資產評估執業準則——企業價值》第三十三條規定：「資產評估專業人員應當關注業務結構、經營模式、企業規模、資產配置和使用情況、企業所處經營階段、成長性、經營風險、財務風險等因素，恰當選擇與被評估單位進行比較分析的可比企業。」

資產評估專業人員所選擇的可比企業與被評估單位應當具有可比性。可比企業應當與被評估單位屬同一行業，或者受相同經濟因素的影響。」

結合標的公司業務情況及以上準則確定上市公司比較法可比公司選取標準如下：

(1) 同處一個行業，受相同經濟因素影響

中糧包裝主要從事食品、飲料及日化產品等消費品所使用包裝產品的生產與銷售。此外，中糧包裝提供包括高科技包裝設計、印刷、物流及全方位客戶服務等在內的綜合包裝解決方案。被估值單位屬申銀萬國行業分類下輕工製造-包裝印刷行業。可比上市公司應與被估值單位屬同一行業。

(2) 經營區域類似

中糧包裝中國區域收入佔營業總收入比重超過90%，除在比利時及匈牙利設有子公司及合營公司外，其餘工廠及運營子公司均在境內。故可比上市公司經營區域也應以中國為主。

(3) 業務結構及主營產品類似

中糧包裝主營業務按產品及服務分類可分為馬口鐵包裝、鋁制包裝及塑膠包裝，其中馬口鐵及鋁制包裝均屬金屬包裝，佔歷史年度收入比重在90%以上，主要產品為兩片罐、三片罐等。可比公司業務結構也應以金屬包裝為主，主營產品類似。

(4) 經營模式類似

中糧包裝採用直銷為主的銷售模式向下游客戶提供各類包裝產品。可比公司也應以直銷為主。

(5) 企業規模類似

中糧包裝歷史年度收入在100億人民幣左右，歸屬於母公司所有者權益在45億人民幣以上，在行業中屬規模較大的頭部公司。可比公司也應在行業內屬規模前列的公司。

(6) 資源配置和使用類似

中糧包裝屬重資產公司，主要廠房及產線均由公司自建，非流動資產佔總資產比重40%以上。可比公司也應屬重資產型企業。

(7) 經營業績類似

中糧包裝歷史年度均為盈利，銷售淨利率在4%左右。可比公司也應為盈利企業，具有相似的盈利水平。

(8) 企業所處階段及成長性類似

中糧包裝具有較長的經營歷史，業務穩定，處於成熟期。可比公司也應為處於成熟期公司。

除以上因素外，可比上市公司至估值分析基準日應上市超過2年，近一年沒有發生重大資產重組，股價無異常波動。

3、可比公司關鍵指標具有可比性

價值比率是市場法估值中的關鍵指標，主要可以分為收入比率、盈利比率和資產比率三類。估值人員對其進行逐一分析如下：

(1) 收入比率

收入價值比率適用於銷售利潤水平穩定的傳統行業，但該價值比率無法反應成本費用之間差異對估值的影響。由於受上游金屬價格波動等因素影響，企業收入與利潤並沒有呈現強相關性，在該種情況下收入價值比率的適用性較弱。

(2) 資產比率

資產比率適用於擁有大量實物資產且淨資產為正的企業，對於固定資產較少的服務型或科技型企業則適用性較差。標的公司屬典型的重資產企業，實物資產及存貨比重佔總資產超過50%，擁有大量的廠房、土地及產線。因此資產價值比率P/B具有適用性。

(3) 盈利比率

盈利比率是將公司估值與當前盈利狀況直接聯繫在一起的價值比率，對多數企業而言易於獲得，最適用於連續盈利的企業。標的公司為包裝行業內頭部企業，近年未出現虧損，盈利相對穩定且具有連續性。盈利比率中EV/EBITDA可以規避資本結構以及折舊攤銷政策差異對估值的擾動，在重資產企業估值中有更好的適用性。

綜上，基於行業特點以及標的公司經營情況和財務數據，本次估值分析中上市公司比較法和交易案例比較法中均採用了P/B與EV/EBITDA兩個價值比率，具有可比性。

4、可比上市公司具有代表性及可比性

根據上述篩選標準，估值人員首先將境內外包裝行業上市公司均納入篩選範圍，並剔除上市未滿兩年或近一年有重組事項的上市公司。其次將主營產品為紙包裝、塑料包裝等非金屬包裝產品的上市公司剔除。經過如上步驟後的待選公司如下：

證券代碼	證券名稱	主要 經營區域	2023年營業 收入 (億元)	連續盈利	重資產
0906.HK	中糧包裝	中國境內	102.65	是	是
601968.SH	寶鋼包裝	中國境內	77.60	是	是
002752.SZ	昇興股份	中國境內	70.95	是	是
002969.SZ	嘉美包裝	中國境內	31.52	是	是
6898.HK	中國鋁罐	中國境內	2.15	是	是
8411.TW	福貞控股	中國境內	18.76	否	是
CCK.N	皇冠控股	美國及 加拿大	850.46	是	是

對於上述公司估值人員進行逐項與篩選條件進行對比。

皇冠控股其主要經營區域為美國及加拿大，該區域2023年收入佔比為44%，其次為歐洲、中東及北非，佔2023年收入比例為23%，中國區收入佔比較低，與標的公司在經營範圍上差異較大。且其收入規模達到850億元，與標的公司在規模上也有較大差異，故本次不將皇冠控股納入可比公司。

福貞控股在2022年出現虧損，與標的公司連續盈利存在差異，故本次不將其納入可比公司。

中國鋁罐其2023年收入規模僅為2億元，與標的公司在規模上差距過大，故本次不將其納入可比公司。

通過如上篩選步驟，本次最終選取的可比上市公司如下：

序號	證券代碼	證券簡稱	首發 上市日期	申銀 萬國行業	主營 產品類型
1	601968.SH	寶鋼包裝	2015-6-11	包裝印刷	金屬飲料罐、 包裝彩印鐵
2	002752.SZ	昇興股份	2015-4-22	包裝印刷	金屬包裝、 EMC合同 能源
3	002969.SZ	嘉美包裝	2019-12-02	包裝印刷	三片罐、二片 罐、無菌 紙包裝、 PET瓶

本次可比上市公司選取中將境內外上市公司都納入了篩選範圍，通過主營產品、經營區域、經營業績、企業規模等維度進行篩選，最後選取的三家上市公司均是金屬包裝細分行業內的頭部企業，具有代表性及可比性。

6、採用上市公司比較法符合行業慣例

上市公司比較法是指獲取並分析可比上市公司的經營和財務數據，計算價值比率，在與被估值單位比較分析的基礎上，確定估值對象價值的具體方法。

包裝行業屬進入穩定發展期的成熟行業，行業內上市公司較多，市場數據比較充分。目前與被估值單位處於同一行業，產品類型、業務結構、經營模式相類似的上市公司數量較多，具備採用上市公司比較法的前提條件。雖然中糧包裝為香港聯交所的上市公司，其股票有公開市場價格，但單一股票價格會受到流動性、控制權以及市場情緒等多重因素影響，從而影響其作為估值基準的穩定性和可靠性。因此，未參考中糧包裝股價作為估值，而是採用上市公司比較法進行估值分析。

近期交易案例中，收購境外上市公司時多數採用了市場法進行估值分析，相較於交易案例比較法，最終估值結論選取上市公司比較法的更為普遍，具體案例如下：

案例	採用的估值方法	最終選取的估值方法	選用理由
新巨豐(301296.SZ)要約收購聯交所上市公司紛美包裝73.20%股權	上市公司比較法及交易案例比較法	上市公司比較法	對於交易案例比較法，除標的自身前次交易案例外，選取的可比交易案例在經營業務領域為玻璃、金屬包裝，與標的企業經營範圍有一定偏差；而上市公司比較法選取的可比上市公司業務領域均包含了無菌包裝生產，其中新巨豐與標的公司在業務經營範圍相似度較高，因此估值人員從整體兩種方法下數據質量的準確性、完整性角度上來考慮，上市公司比較法的結果更優。
海南橡膠(601118.SH)協議收購新交所上市公司HAC公司36%股份	上市公司比較法及交易案例比較法	上市公司比較法	相較於交易案例比較法，上市公司比較法的可選擇公司更多，估值人員可以找到在經營業務、經營規模上更加接近的可比公司。此外，由於橡膠行業2020年至今受到新冠疫情的影響相對較為明顯，因此上市公司比較法的結果更具有時效性。

案例	採用的估值方法	最終選取的估值方法	選用理由
文燦股份(603348.SH)協議收購巴黎泛歐交易所上市公司百煉集團61.96%股權	上市公司比較法及交易案例比較法	上市公司比較法	相較於可比交易案例比較法，上市公司比較法的可選擇公司更多，估值人員可以找到在經營業務、經營規模上更加接近的可比公司。此外，由於近年汽車零部件行業整體趨勢和預期發生了一定的變化，上市公司比較法數據時效性要優於可比交易案例比較法。
佳沃股份(300268.SH)自願要約收購智利聖地亞哥證券交易所上市公司Australis Seafoods S.A.	上市公司比較法	上市公司比較法	行業的公開併購案例有限，與併購案例相關聯的、影響交易價格的某些特定的條件無法通過公開渠道獲知，無法對相關的折扣或溢價做出分析，因此交易案例比較法較難操作。
曲美家居(603818.SH)自願要約收購挪威奧斯陸證券交易所上市公司Ekornes ASA	上市公司比較法	上市公司比較法	本次市場法估值選用上市公司比較法，理由如下：(1)目前歐洲證券市場上市公司中已有一定的類似企業，且信息披露較充分，故適宜採用上市公司比較法估值。(2)境外交易案例相關數據較難取得，同時相關信息披露不如上市公司充分故不適宜採用交易案例比較法估值。

綜上所述，在對於上市公司的估值分析中，採用上市公司比較法符合行業慣例。

(四) 結合上市公司比較法、交易案例比較法的選取樣本差異情況、價值比率選擇等，說明最終選擇上市公司比較法估值結果作為最終估值結論的原因以及合理性

1、樣本差異情況

本次可比上市公司及可比交易案例的主要差異情況如下：

類別	公司/項目	主營產品	收入規模	經營業績
可比上市公司	寶鋼包裝	金屬包裝	大於30億元	連續盈利
可比上市公司	昇興股份	金屬包裝	大於30億元	連續盈利
可比上市公司	嘉美包裝	金屬包裝	大於30億元	連續盈利
可比交易案例	太平洋制罐(肇慶)	金屬包裝	小於30億元	連續盈利
可比交易案例	紛美包裝	無菌包裝	大於30億元	連續盈利
可比交易案例	太平洋制罐(北京)	金屬包裝	小於30億元	存在波動

(1) 主營產品

中糧包裝以金屬包裝為主營產品，可比交易案例中紛美包裝主營為無菌包裝，雖同屬包裝行業，但主營產品存在一定差異。可比上市公司均是以金屬包裝為主營產品，因此可比上市公司在主營產品方面可比性更強。

(2) 收入規模

中糧包裝收入規模超百億，工廠及產線在全國均有佈局。可比交易案例中太平洋制罐(肇慶)及太平洋制罐(北京)的經營區域以所在城市及周邊為主，收入規模均小於30億元，與標的公司規模上有一定差異。可比上市公司營收規模均在30億元以上，在企業規模方面可比性更強。

(3) 經營業績

中糧包裝經營業績穩定，屬連續盈利的公司。可比交易案例中太平洋制罐(北京)披露信息中業績出現波動，2021年有虧損情況。可比上市公司基準日3年內均屬盈利，在經營業績方面可比性更強。

2、 價值比率的選擇

本次估值分析中，上市公司比較法及交易案例比較法均採用了同樣的價值比率即P/B與EV/EBITDA。價值比率選取合理性分析詳見本回復第三節「三、說明上市公司比較法、交易案例比較法中，相關可比上市公司、可比交易案例的選取標準及關鍵可比指標的可比性，最終選取的可比上市公司、可比交易案例是否具備代表性、可比性，採用上市公司比較法是否符合行業慣例。」之「3.可比公司關鍵指標具有可比性」中答覆。

3、 上市公司比較法估值結果作為最終估值結論的原因以及合理性

本次估值分析選用上市公司比較法作為最終估值結論主要考慮如下原因：

- (1) 可比上市公司在主營產品、企業規模、經營業績等方面較可比交易案例相似度更高。
- (2) 上市公司信息披露更為充分，可比交易案例受限於披露數據及信息有限，在數據的完整性和充分性上可比上市公司更優。
- (3) 可比交易案例時間跨度雖在三年之內，但是較基準日仍有一定差異，而上市公司比較法中可以採用基準日股價數據及最近一期的財務信息，在時效性上更強。

綜上所述，上市公司比較法中可比公司相似度更高，其數據質量更具有完整性及充分性，且時效性要優於交易案例比較法，故本次估值分析採用上市公司比較法作為最終估值結論具有合理性。

(五)獨立財務顧問核查意見

經核查，獨立財務顧問認為：

- 1、 本次要約價格較標的公司股價在重組預案披露日、重組報告書披露日及回函日收盤價溢價率較低，標的公司股價波動較小，預計不會對本次交易造成重大不利影響。
- 2、 由於估值人員執業準則要求，以及本次交易標的公司為香港聯交所上市公司，受到香港《上市規則》限制的原因，本次交易無法採用資產基礎法及收益法進行估值分析。

- 3、 本次估值分析最終選取的可比上市公司、可比交易案例具備代表性、可比性，可比公司關鍵指標具有可比性，採用上市公司比較法符合行業慣例。
- 4、 上市公司比較法在可比公司相似度、數據的完整性及充分性、時效性上均優於交易案例比較法，本次估值分析採用上市公司比較法作為最終估值結論具有合理性。

(六)估值機構核查意見

經核查，估值機構認為：

- 1、 由於估值人員執業準則要求，以及本次交易標的公司為香港聯交所上市公司，受到香港《上市規則》限制的原因，本次交易無法採用資產基礎法及收益法進行估值分析。
- 2、 本次估值分析最終選取的可比上市公司、可比交易案例具備代表性、可比性，可比公司關鍵指標具有可比性，採用上市公司比較法符合行業慣例。
- 3、 上市公司比較法在可比公司相似度、數據的完整性及充分性、時效性上均優於交易案例比較法，本次估值分析採用上市公司比較法作為最終估值結論具有合理性。

English Version (for reference only)

1. Selection Criteria for Comparable Companies under Listed Company Comparison Approach

Article 33 of the Valuation standard — Business Value stipulates that “valuation professionals shall give consideration to factors including business structure, operating model, enterprise size, asset allocation and utilization, enterprise operational stage, growth potential, operational risks and financial risks to appropriately select comparable companies for comparative analysis with the appraised entity.

The comparable companies selected by valuation professionals shall be comparable with the appraised entity. Such comparable companies shall operate within the same industry as the appraised entity or be subject to the same economic factors."

Combined with the target company's business circumstances and the aforementioned standards, the selection criteria for comparable companies under the listed company comparison approach are set forth as follows:

(1) Same industry, subject to the same economic factors

CPMC primarily engages in the manufacturing and sale of packaging products for consumer goods including food, beverages, and household chemical products. Additionally, CPMC provides comprehensive packaging solutions including high-tech packaging design, printing, logistics, and full-range customer services. The appraised entity is classified under the light manufacturing-packaging printing industry pursuant to the Shenyin Wanguo industry classification system. Comparable listed companies shall operate within the same industry classification as the appraised entity.

(2) Similar operating regions

CPMC's revenue from the China region accounts for over 90% of its total operating revenue. Save for subsidiaries and joint ventures in Belgium and Hungary, all other factories and operating subsidiaries are situated in China. Therefore, comparable listed companies shall also primarily conduct their operations in China.

(3) Similar business structure and main products

CPMC's main business can be categorized into tinplate packaging, aluminum packaging, and plastic packaging by products and services. Among these, tinplate and aluminium packaging are both metal packaging, accounting for over 90% of revenue in historical years, with the main products being two-piece cans, three-piece cans and others. Comparable companies shall also primarily engage in metal packaging in their business structure with similar main products.

(4) Similar operating model

CPMC primarily adopts a direct sales model for the provision of various packaging products to downstream customers. Comparable companies shall also primarily rely on direct sales.

(5) Similar enterprise size

CPMC's historical annual revenue is approximately RMB10,000 million, with equity attributable to owners of the parent exceeding RMB4,500 million, making it one of the larger leading companies in the industry. Comparable companies shall also demonstrate comparable enterprise scale in the industry.

(6) Similar asset allocation and utilization

CPMC is an asset-heavy company, with self-built main factories and production lines and non-current assets accounting for over 40% of total assets. Comparable companies shall also be asset-heavy enterprises.

(7) Similar operating performance

CPMC has maintained profitability throughout all historical years, with a net sales profit margin of approximately 4%. Comparable companies shall also be profitable enterprises with similar profitability levels.

(8) Similar enterprise stage and growth potential

CPMC maintains an established operational history, demonstrates stable business operations, and has attained operational maturity. Comparable companies shall also be in a similar stage of operational maturity.

Save for the above factors, comparable listed companies shall have been listed for more than 2 years as of the benchmark date of the valuation analysis, with no major asset restructuring over the past year and no abnormal stock price fluctuations.

3. Key Indicators of Comparable Companies are Comparable

Value ratios are key indicators in market approach valuation, which are primarily divided into three categories, namely revenue ratios, profit ratios, and asset ratios. The valuer analysed them one by one as follows:

(1) Revenue ratios

Revenue value ratios are applicable in traditional industries with stable sales profit levels, but such value ratio fails to account for the impact of variations in costs and expenses on valuation. Due to factors such as upstream metal price fluctuations, there is no strong correlation between enterprise revenue and profit, making revenue value ratios less applicable in such circumstance.

(2) Asset ratios

Asset ratios are applicable for enterprises with substantial physical assets and positive net assets, but less applicable to service-oriented or technology-oriented enterprises with fewer fixed assets. The target company is a typical asset-heavy enterprise, with physical assets and inventory accounting for over 50% of total assets and substantial holdings in plants, land, and production lines. Therefore, the asset value ratio P/B is applicable.

(3) Profit ratios

Profit ratios are value ratios that directly link company valuation with current profitability, readily obtainable for most enterprises and most applicable for enterprises with continuous profitability. The target company is a leading enterprise in the packaging industry with no losses in recent years and relatively stable and continuous profitability. Among profit ratios, EV/EBITDA can avoid the interference of capital structure and depreciation and amortization policy differences on valuation, making it more applicable in asset-heavy enterprise valuation.

In summary, based on industry characteristics and the target company's operation and financial data, both P/B and EV/EBITDA value ratios are hereby adopted under the listed company comparison approach and transaction case comparison approach for this valuation analysis, showing comparability.

4. Comparable Listed Companies are Representative and Comparable

Based on the aforementioned screening criteria, the valuer first included domestic and overseas listed companies within the packaging industry in the selection scope, and excluded listed companies with less than two years of listing status or companies that had undergone restructuring in the past year. Subsequently, listed companies primarily engaged in non-metal packaging products including paper packaging, plastic packaging were excluded. The candidate companies after these steps are set forth as follows:

Stock code	Stock name	Primary operating region	Operating revenue in 2023 (RMB million)	Continuous profitability	Asset-heavy status
0906.HK	CPMC	PRC	10,265	Yes	Yes
601968.SH	Baosteel Packaging	PRC	7,760	Yes	Yes
002752.SZ	Sunrise Group	PRC	7,095	Yes	Yes
002969.SZ	Jiamei Food Packaging	PRC	3,152	Yes	Yes
6898.HK	China Aluminum Cans	PRC	215	Yes	Yes
8411.TW	Kingcan Holdings	PRC	1,876	No	Yes
CCK.N	Crown Holdings	The US and Canada	85,046	Yes	Yes

For the companies above, the valuer compared them according to the selection criteria item by item.

Crown Holdings primarily operates in the US and Canada, a region accounting for 44% of its revenue in 2023, followed by Europe, the Middle East, and North Africa at 23% of its revenue in 2023, with a relatively low revenue ratio in China, which differs substantially from the target company in terms of operating regions. Additionally, its revenue amounted to RMB85,046 million, materially exceeding the target company's scale. As such, Crown Holdings is not included as a comparable company.

Kingcan Holdings experienced losses in 2022, which differs from the target company in terms of continuous profitability, hence it is not included as a comparable company.

China Aluminum Cans recorded revenue of only RMB200 million in 2023, which differs substantially from the target company in terms of scale, hence it is not included as a comparable company.

Through the screening steps above, the comparable listed companies selected finally are set forth as follows:

No.	Stock code	Stock name	IPO date	Shenyin Wanguo industry	Main products
1	601968.SH	Baosteel Packaging	11 June 2015	Packaging printing	Metal beverage cans, packaging printed iron
2	002752.SZ	Sunrise Group	22 April 2015	Packaging printing	Metal packaging, energy management contracting
3	002969.SZ	Jiamei Food Packaging	2 December 2019	Packaging printing	Three-piece cans, two- piece cans, aseptic paper packaging, PET bottles

In this selection of comparable listed companies, both domestic and overseas listed companies were included in the screening scope, and screening was conducted through different dimensions such as main products, operating regions, operating performance, and enterprise size. The three listed companies finally selected are all leading enterprises in the metal packaging sub-industry, showing representativeness and comparability.

6. Using the Listed Company Comparison Approach Conforms to Industry Practice

The listed company comparison approach refers to obtaining and analysing operational and financial data of comparable listed companies, calculating value ratios, and determining the value of the appraised target based on comparative analysis with the appraised entity.

The packaging industry is a mature industry in stable development, with numerous listed companies and sufficient market data. Currently, there are numerous listed companies in the same industry with similar product types, business structures, and operating models as the appraised entity, fulfilling the prerequisites for adopting the listed company comparison approach. Although CPMC is listed on the Hong Kong Stock Exchange with a public market price for its stock, the price of a single stock is subject to various factors such as liquidity, control rights, and market sentiment, thereby affecting its stability and reliability as valuation benchmarks. Therefore, instead of using CPMC's stock price as the basis for valuation, the listed company comparison approach was adopted for valuation analysis.

In recent transaction cases, the market approach has been mostly adopted for valuation analysis when acquiring overseas listed companies, with the listed company comparison approach being more commonly selected for final valuation conclusions as compared to the transaction case comparison approach. Specific cases are set forth as follows:

Case	Valuation approach adopted	Valuation approach selected ultimately	Reason for selection
Xinjufeng (301296.SZ)'s tender offer for the acquisition of a 73.20% equity interest in Greatview Aseptic Packaging, a company listed on the Stock Exchange	Listed company comparison approach and transaction case comparison approach	Listed company comparison approach	For the transaction case comparison approach, except for the target's own previous transaction cases, the comparable transaction cases selected were in glass and metal packaging business, showing a certain deviation from the target enterprise's business scope; while comparable listed companies selected in the listed company comparison approach all included aseptic packaging production, with Xinjufeng having higher similarity to the target company in terms of business scope. Therefore, considering the accuracy and completeness of data quality from both approaches overall, the listed company comparison approach results were better.
Hainan Rubber (601118.SH)'s agreement to acquire a 36% shareholding in HAC, a company listed on the Singapore Exchange	Listed company comparison approach and transaction case comparison approach	Listed company comparison approach	Compared to the transaction case comparison approach, the listed company comparison approach has more selectable companies, allowing valuer to find more comparable companies in terms of business operations and operational scale. Additionally, as the rubber industry has been relatively obviously affected by COVID-19 since 2020, the listed company comparison approach results have more timeliness.

Case	Valuation approach adopted	Valuation approach selected ultimately	Reason for selection
Wencan Co., Ltd. (603348.SH)'s agreement to acquire a 61.96% equity interest in Le Bélier S.A., a company listed on Euronext Paris	Listed company comparison approach and transaction case comparison approach	Listed company comparison approach	Compared to the comparable transaction case comparison approach, the listed company comparison approach has more selectable companies, allowing the valuer to find more comparable companies in terms of business operations and operational scale. Additionally, since the overall trend and expectations of the auto parts industry have somewhat changed in recent years, data from the listed company comparison approach has better timeliness than the comparable transaction case comparison approach.
Joyvio Food (300268.SH)'s voluntary tender offer to acquire Australis Seafoods S.A., a company listed on the Santiago Stock Exchange of Chile	Listed company comparison approach	Listed company comparison approach	Industry public merger and acquisition cases are limited, and certain specific conditions related to transaction prices in merger and acquisition cases are not available through public channels, making it difficult to analyse related discounts or premiums, thus making it difficult to use the transaction case comparison approach.
Qumei Home Furnishings (603818.SH)'s voluntary tender offer to acquire Ekornes ASA, a company listed on the Oslo Stock Exchange of Norway	Listed company comparison approach	Listed company comparison approach	The listed company comparison approach is selected in this market approach valuation for the following reasons: (1) There are currently a certain number of similar enterprises in the European securities market with relatively sufficient information disclosure, making it appropriate to use the listed company comparison approach for valuation. (2) Data relevant to overseas transaction cases is difficult to obtain, and relevant information disclosure is not as sufficient as listed companies, making it unsuitable to adopt the transaction case comparison approach for valuation.

In conclusion, using the listed company comparison approach in the valuation analysis of listed companies conforms to industry practice.

(IV) Combining the differences in sample selection between the listed company comparison approach and transaction case comparison approach, value ratio selection, etc., explain the reasons and reasonableness for choosing the valuation results from listed company comparison approach as the final valuation conclusion

1. Sample differences

The main differences between comparable listed companies and comparable transaction cases are as follows:

Category	Company/Project	Main products	Revenue	Operating performance
Comparable listed companies	Baosteel Packaging	Metal packaging	Over RMB3 billion	Continuous profitability
Comparable listed companies	Sunrise Group	Metal packaging	Over RMB3 billion	Continuous profitability
Comparable listed companies	Jiamei Food Packaging	Metal packaging	Over RMB3 billion	Continuous profitability
Comparable transaction cases	Pacific Can (Zhaoqing)	Metal packaging	Below RMB3 billion	Continuous profitability
Comparable transaction cases	Greatview Aseptic Packaging	Aseptic packaging	Over RMB3 billion	Continuous profitability
Comparable transaction cases	Pacific Can (Beijing)	Metal packaging	Below RMB3 billion	Fluctuating

(1) Main products

CPMC's main product is metal packaging, while among comparable transaction cases, Greatview Aseptic Packaging is principally engaged in aseptic packaging. Although both belong to the packaging industry, there are certain differences in main products. The main product of all comparable listed companies is metal packaging, therefore comparable listed companies have stronger comparability in terms of main products.

(2) Revenue

CPMC's revenue exceeds RMB10 billion, with factories and production lines distributed nationwide. Among comparable transaction cases, Pacific Can (Zhaoqing) and Pacific Can (Beijing)'s operating regions are primarily in their respective cities and surrounding areas, with revenue both below RMB3 billion, showing certain differences from the target company in terms of scale. Comparable listed companies all have revenue over RMB3 billion, showing stronger comparability in terms of enterprise size.

(3) Operating performance

CPMC has stable operating performance and is profitable continuously. Among comparable transaction cases, Pacific Can (Beijing)'s disclosed information shows performance fluctuations, with losses in 2021. Comparable listed companies were all profitable within 3 years of the benchmark date, showing stronger comparability in terms of operating performance.

2. Value ratio selection

In this valuation analysis, both the listed company comparative approach and the transaction case comparative approach adopt the same value ratios, namely the P/B ratio and EV/EBITDA ratio. For a detailed analysis regarding the reasonableness of the value ratios selected, please refer to the response in "3. Comparability of Key Indicators Among Comparable Companies" in section 3 headed "III. Explain the selection criteria for comparable listed companies and comparable transaction cases in the listed company comparative approach and transaction case comparative approach, the comparability of key comparable indicators, and whether the comparable listed companies selected finally and comparable transaction cases possess sufficient representativeness and comparability, and whether the application of the listed company comparative approach conforms to industry practices" in this response.

3. Reasons and Reasonableness for Choosing Valuation Results from the Listed Company Comparison Approach as Final Valuation Conclusion

The listed company comparison approach is selected in this valuation analysis as the final valuation conclusion mainly after considering the following reasons:

- (1) Comparable listed companies have higher similarity to the target company than comparable transaction cases in terms of main products, enterprise size, and operating performance.
- (2) Listed companies have more sufficient information disclosure, while comparable transaction cases are limited by data and information disclosure, making comparable listed companies superior in terms of data completeness and sufficiency.
- (3) Although comparable transaction cases span within three years, they still have some time difference from the benchmark date, while the listed company comparison approach can use stock price data as of the benchmark date and the latest financial information, showing stronger timeliness.

In conclusion, the listed company comparison approach has higher similarity in comparable companies, better data quality in terms of completeness and sufficiency, and better timeliness than the transaction case comparison approach, making it reasonable to adopt the listed company comparison approach as the final valuation conclusion in this valuation analysis.

(V) Review Opinion from the Independent Financial Advisor

After review, the independent financial advisor is of the view that:

1. The tender offer price has a relatively low premium compared to the target company's stock closing price on the date of the restructuring pre-announcement, the date of the restructuring report, and the date of the response letter with relatively small stock price fluctuations, which is not expected to have a material adverse impact on this transaction.
2. Due to the practice standards requirements for valuers and the fact that the target company of this transaction is listed on the Hong Kong Stock Exchange and subject to the Hong Kong Listing Rules, the asset-based approach and income approach for valuation analysis cannot be adopted in this transaction.

3. The comparable listed companies selected finally and comparable transaction cases in this valuation analysis are representative and comparable, the key indicators of comparable companies are comparable, and using the listed company comparison approach conforms to industry practice.
4. The listed company comparison approach is superior to the transaction case comparison approach in terms of comparable company similarity, data completeness and sufficiency, and timeliness, making it reasonable to adopt the listed company comparison approach as the final valuation conclusion in this valuation analysis.

(VI) Review Opinion from the Valuation Agency

After review, the valuation agency is of the view that:

1. Due to the practice standards requirements for valuers and the fact that the target company of this transaction is listed on the Hong Kong Stock Exchange and subject to the Hong Kong Listing Rules, the asset-based approach and income approach for valuation analysis cannot be adopted in this transaction.
2. The comparable listed companies selected finally and comparable transaction cases in this valuation analysis are representative and comparable, the key indicators of comparable companies are comparable, and using the listed company comparison approach conforms to industry practice.
3. The listed company comparison approach is superior to the transaction case comparison approach in terms of comparable company similarity, data completeness and sufficiency, and timeliness, making it reasonable to adopt the listed company comparison approach as the final valuation conclusion in this valuation analysis.