
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Huarui Offer, this Huarui Offer Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional advisor.

If you have sold or transferred all your Shares, you should at once hand this Huarui Offer Document and the accompanying Form of Acceptance to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Huarui Offer Document, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Huarui Offer Document.

This Huarui Offer Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Huarui Offer. This Huarui Offer Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.



HUARUI FENGQUAN DEVELOPMENT LIMITED

(Incorporated in Hong Kong 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)

**(1) 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 TO BE ACQUIRED BY HUARUI
FENGQUAN DEVELOPMENT LIMITED AND PARTIES ACTING IN CONCERT WITH IT)
AND
(2) POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING**

Financial adviser to Huarui



Huarui Offer Independent Financial Adviser to the Huarui Offer Independent Board Committee



Capitalised terms used in this Huarui Offer Document (including this cover page) are defined in the section headed "Definitions" of this Huarui Offer Document. A letter from CSCI containing, among other things, the principal terms of the Huarui Offer is set out in the section headed "Letter from CSCI" of this Huarui Offer Document. A letter from the Huarui Offer Independent Board Committee to the Disinterested Shareholders containing its recommendation in respect of the Huarui Offer is set out in the section headed "Letter from the Huarui Offer Independent Board Committee" of this Huarui Offer Document. A letter from the Huarui Offer Independent Financial Adviser to the Huarui Offer Independent Board Committee in respect of the Huarui Offer is set out in the section headed "Letter from the Huarui Offer Independent Financial Adviser" of this Huarui Offer Document.

The procedures for acceptance and settlement of the Huarui Offer are set out in Appendix I to this Huarui Offer Document and in the accompanying Form of Acceptance. Acceptances of the Huarui Offer must be received by the Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Friday, 10 January 2025, or such later time and/or date as Huarui may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Huarui Offer Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the section headed "IMPORTANT NOTICES" contained in this Huarui Offer Document before taking any action. It is the responsibility of each Shareholder who wishes to accept the Huarui Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions 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 issue, transfer or other taxes due from such Shareholder in such relevant jurisdictions.

The English language text of this Huarui Offer Document and the accompanying Form of Acceptance shall prevail over the Chinese version for the purpose of interpretation.

IMPORTANT NOTICES

NOTICE TO OVERSEAS SHAREHOLDERS

The making of the Huarui Offer to Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Shareholder who wishes to accept or take any other action in relation to the Huarui Offer to satisfy himself/herself/itself as to the full observance of the laws 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 issue, transfer or other taxes due from such Shareholder in such relevant jurisdictions.

Any acceptance by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to Huarui, the Company and their respective advisers (including CSCI) that all applicable laws and requirements have been complied with by such Shareholder and that the Huarui Offer can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This Huarui Offer Document includes certain “forward-looking statements”. These statements are based on the current expectations of the management of Huarui and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Huarui Offer Document include statements about the expected effects on the Company, the expected timing and scope of the Huarui Offer, and all other statements in this Huarui Offer Document other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions, as well as additional factors, such as general, social, economic and political conditions in the countries in which Huarui and/or the Group operate or other countries which have an impact on Huarui and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which Huarui and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which Huarui and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which Huarui and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in operations due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

IMPORTANT NOTICES

All written and oral forward-looking statements attributable to the Company, Huarui or persons acting on behalf of it are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Latest Practicable Date.

Any forward-looking statement contained in this Huarui Offer Document based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Huarui Offer Document is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of Huarui and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

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DEFINITIONS

In this Huarui Offer Document, the following expressions have the meanings set out below, unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Champion”	Champion HOLDING (BVI) CO., LTD, a joint venture incorporated in the British Virgin Islands
“Champion 3.7 Announcement”	the announcement of the Company dated 17 August 2023 in relation to, among other things, a possible general cash offer to be made by China Baowu Steel Group Corporation Limited*
“Champion Offer”	the conditional voluntary general cash offer by Shenwan Hongyuan Capital (H.K.) Limited on behalf of Champion to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by Champion or parties acting in concert with it) in accordance with the Takeovers Code, details of which are refer to the offer document issued by Champion dated 30 July 2024
“China Foods”	China Foods (Holdings) Limited, a limited liability company incorporated in the British Virgin Islands
“COFCO”	COFCO Corporation, a limited liability company established in the PRC
“COFCO (HK)”	COFCO (Hong Kong) Limited, a limited liability company incorporated in Hong Kong
“COFCO Irrevocable Undertaking”	the irrevocable undertaking to accept the Champion Offer dated 6 December 2023 given by China Foods to Champion as described in the section headed “The Irrevocable Undertaking” in the joint announcement made by the Company and Champion dated 6 December 2023

DEFINITIONS

“Company”	CPMC Holdings Limited, a limited liability company incorporated in Hong Kong, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 906)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended from time to time)
“Compulsory Acquisition Entitlement Period”	the period commencing from the date of this Huarui Offer Document and ending on the date falling four (4) months after the date of this Huarui Offer Document (or such later date as the SFC may permit for the requisite level of acceptances to be reached in order for Huarui to undertake compulsory acquisition)
“Conditions”	the conditions to the Huarui Offer, as set out in the paragraph headed “Conditions to the Huarui Offer” in the section headed “Letter from CSCI” of this Huarui Offer Document
“Conditions Long Stop Date”	in respect of Condition (a) (the acceptance condition), the date which is 60 calendar days after the posting of this Huarui Offer Document, and in respect of other Conditions, the date which is 21 days after the satisfaction of Condition (a), unless the date has been extended by Huarui with the consent of the Executive
“CSCI”	China Securities (International) Corporate Finance Company Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under SFO), being the financial adviser to Huarui
“CSCI Investment”	China Securities (International) Investment Company Limited, a limited liability company incorporated in Hong Kong
“Director(s)”	the director(s) of the Company
“Disinterested Share(s)”	all Shares other than those held by Huarui and the Huarui Concert Parties, being 841,352,800 Shares in issue
“Disinterested Shareholder(s)”	holder(s) of the Disinterested Share(s)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer in respect of the Huarui Offer accompanying this Huarui Offer Document

DEFINITIONS

“Group”	the Company and its subsidiaries and “member of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huarui”	Huarui Fengquan Development Limited (華瑞鳳泉發展有限公司), a limited liability company incorporated in Hong Kong and indirectly non-wholly owned by Huarui Parent
“Huarui 3.7 Announcement”	the announcement of the Company dated 12 December 2023 in relation to a possible voluntary conditional general cash offer to be made by ORG Development or through other subsidiary of Huarui Parent to acquire all of the issued Shares (other than those already owned by or be acquired by ORG Development and its concert parties)
“Huarui Concert Parties”	parties acting in concert with Huarui, including but not limited to Huarui Parent, ORG Development and Hubei ORG
“Huarui Consulting”	Beijing Huarui Fengquan Management Consulting Co., Ltd* (北京市華瑞鳳泉管理諮詢有限公司), a company established in the PRC and indirectly non-wholly owned by Huarui Parent
“Huarui Group”	Huarui Parent and its subsidiaries
“Huarui Offer”	the voluntary general cash offer by CSCI on behalf of Huarui to acquire all of the issued Shares other than Shares held by Huarui and Huarui Concert Parties in accordance with the terms and conditions set out in this Huarui Offer Document, and any subsequent revision or extension of such offer
“Huarui Offer Closing Date”	10 January 2025, being the first offer closing date of the Huarui Offer, or any subsequent offer closing date of the Huarui Offer as may be extended or revised in accordance with the Takeovers Code
“Huarui Offer Document”	this composite offer and response document jointly issued by Huarui and the Company in connection with the Huarui Offer in accordance with the Takeovers Code

DEFINITIONS

“Huarui Offer Independent Board Committee”	the independent committee of the Board established pursuant to Rule 2.1 of the Takeovers Code comprising all independent non-executive Directors (Mr. Cheng Yuk Wo, Mr. Pun Tit Shan and Mr. Chen Jihua)
“Huarui Offer Independent Financial Adviser” or “Sommerley”	Sommerley Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under SFO), being the independent financial adviser appointed by the Company with the approval of the Huarui Offer Independent Board Committee to advise the Huarui Offer Independent Board Committee in relation to the Huarui Offer
“Huarui Offer Period”	has the meaning given to it under the Takeovers Code, being the period from the date of the Champion 3.7 Announcement until the latest of: (1) the date when the Huarui Offer closes for acceptances; (2) the date when the Huarui Offer lapses; (3) the time when Huarui announces that the Huarui Offer will not proceed; and (4) the date when an announcement is made of the withdrawal of the Huarui Offer
“Huarui Offer Price”	HK\$7.21, being the price per Huarui Offer Share payable in cash by Huarui on the terms of the Huarui Offer
“Huarui Offer Share(s)”	the Share(s) which are subject to the Huarui Offer
“Huarui Offer Unconditional Date”	the date on which the Huarui Offer becomes or is declared unconditional in all respects
“Huarui Parent”	ORG Technology Co., Ltd, a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 002701)
“Hubei ORG”	Hubei ORG Canmaking Co., Ltd.* (湖北奧瑞金制罐有限公司), a company established in the PRC and directly wholly owned by Huarui Parent
“Irrevocable Undertaking”	the irrevocable undertaking to accept the Huarui Offer dated 6 June 2024 given by Mr. Zhang Wei to Huarui as described in the paragraph headed “The Irrevocable Undertaking” under the section headed “Letter from CSCI” in this Huarui Offer Document
“Last Trading Date”	6 June 2024, being the last day on which the Shares were traded on the Stock Exchange prior to the date of the 3.5 Announcement

DEFINITIONS

“Latest Practicable Date”	17 December 2024, being the latest practicable date for ascertaining certain information contained in this Huarui Offer Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MAR”	material asset restructuring pursuant to the MAR Measures
“MAR Measures”	the Administrative Measures for the Material Asset Restructuring for Listed Companies
“MAR Report”	the report for material asset restructuring issued by Huarui Parent on 4 September 2024 on the website of the Shenzhen Stock Exchange for the purpose of compliance with the relevant requirements under the MAR Measures
“Mr. Zhou”	Mr. Zhou Yunjie
“ORG Development”	ORG Development Limited (奧瑞金發展有限公司), a limited liability company incorporated in Hong Kong and indirectly wholly owned by Huarui Parent
“ORG International”	ORG International Holdings Limited (奧瑞金國際控股有限公司), a limited liability company incorporated in Hong Kong and directly wholly owned by Huarui Parent
“PRC”	the People’s Republic of China, which, for the purpose of this Huarui Offer Document, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Pre-Conditions”	the pre-conditions to the making of the Huarui Offer, as set out under the section headed “Pre-Conditions to the Huarui Offer” in the 3.5 Announcement, all of which have been satisfied prior to the issue of this Huarui Offer Document
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s share registrar and transfer office
“Relevant Authorities”	relevant governments, governmental and/or quasi-governmental bodies, statutory and/or regulatory bodies, courts or institutions
“Relevant Period”	the period commencing on 17 February 2023, being the date falling six months preceding the date of commencement of the Huarui Offer Period (being 17 August 2023), up to and including the Latest Practicable Date

DEFINITIONS

“Relevant Shares”	245,080,000 Shares, representing approximately 22.01% of the total issued shares of the Company held by Mr. Zhang Wei as at the Latest Practicable Date, together with any Shares to be issued by the Company attributable to the Shares held by Mr. Zhang Wei or any Shares derived from the Shares held by Mr. Zhang Wei, and any Shares held as beneficial owner by Mr. Zhang Wei or any company controlled by Mr. Zhang Wei after the date of the Irrevocable Undertaking
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Share Charge”	the share charge dated 7 June 2024 entered into by Huarui as chargor in favour of Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong Branch as chargee in respect of all the Huarui Offer Shares acquired by Huarui pursuant to the Huarui Offer
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou SLAC”	Suzhou SLAC Precision Equipment Co., Ltd.* (蘇州斯萊克精密設備股份有限公司), a company established in the PRC and a company listed on Shenzhen Stock Exchange (Stock Code 300382.SZ)
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“View Harmony Packaging”	Beijing View Harmony Packaging Co., Ltd.* (北京景和包裝製造有限公司), a company established in the PRC and a non-wholly-owned subsidiary of Huarui Parent
“Yuanlong Holdings”	Shanghai Yuanlong Investment Holdings (Group) Company Limited, a limited liability company established in the PRC
“3.5 Announcement”	the announcement dated 7 June 2024 jointly issued by Huarui and the Company in relation to the Huarui Offer pursuant to Rule 3.5 of the Takeovers Code

DEFINITIONS

“%”

per cent

All percentages stated in this Huarui Offer Document are approximations and certain amounts and percentage figures included in this Huarui Offer Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

* *For identification purpose only*

EXPECTED TIMETABLE

The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable.

Unless otherwise specified, all times and dates in this Huarui Offer Document refer to Hong Kong local dates and times.

Hong Kong time and date

Despatch date of this Huarui Offer Document and
the accompanying Form of Acceptance and
the commencement of the Huarui Offer (*Note 1*) Friday, 20 December 2024

First Huarui Offer Closing Date (*Notes 2 and 3*). Friday, 10 January 2025

Latest time and date for acceptance of the
Huarui Offer on the first Huarui Offer Closing Date (*Notes 2 and 3*) 4:00 p.m. on Friday,
10 January 2025

Announcement of the results of the Huarui Offer
on the Stock Exchange's website and the Company's website
on the first Huarui Offer Closing Date no later than 7:00 p.m. on Friday,
10 January 2025

Latest date for posting of cheques for the amounts
due in respect of valid acceptances received under
the Huarui Offer at or before 4:00 p.m. on the first
Huarui Offer Closing Date (assuming the Huarui Offer
becomes or is declared unconditional in all respects
on the first Huarui Offer Closing Date) (*Notes 2, 3 and 4*). Tuesday, 21 January 2025

Final Huarui Offer Closing Date (assuming the Huarui
Offer becomes or is declared unconditional in all respects
on the first Huarui Offer Closing Date) (*Note 5*) Friday, 24 January 2025

Latest time and date for acceptance of the Huarui Offer
on the final Huarui Offer Closing Date (assuming the Huarui
Offer becomes or is declared unconditional in all respects on the
first Huarui Offer Closing Date) (*Note 5*). 4:00 p.m. on Friday,
24 January 2025

Announcement of the results of the Huarui Offer on the Stock
Exchange's website and the Company's website on the final Huarui
Offer Closing Date (assuming the Huarui Offer becomes or is
declared unconditional in all respects on the first Huarui Offer
Closing Date) (*Note 5*) no later than 7:00 p.m. on Friday,
24 January 2025

EXPECTED TIMETABLE

Latest date for posting of cheques for the amounts due in respect of valid acceptances received under the Huarui Offer at or before 4:00 p.m. on the final Huarui Offer Closing Date (assuming the Huarui Offer becomes or is declared unconditional in all respects on the first Huarui Offer Closing Date) (*Note 4*) Friday, 7 February 2025

Latest time and date by which the Huarui Offer can become or be declared unconditional as to acceptances (*Note 6*). Tuesday, 18 February 2025

Latest time and date by which the Huarui Offer can become or be declared unconditional in all respects (*Note 7*) Tuesday, 11 March 2025

Date of withdrawal of listing of the Shares (assuming the Huarui Offer declares unconditional on the First Huarui Offer Closing Date and Huarui is entitled to exercise its right of compulsory acquisition rights as particularised in the section headed “Possible Compulsory Acquisition and Withdrawal of Listing” in the “Letter from CSCI”). April 2025 (tentative)

Notes:

1. The Huarui Offer is made on Friday, 20 December 2024, the date of this Huarui Offer Document, and is capable of acceptance on and from that date for the whole of the Huarui Offer Period.
2. The latest time and date for acceptances to be lodged under the Huarui Offer on the first Huarui Offer Closing Date is 4:00 p.m. on Friday, 10 January 2025, being a date no less than 21 days from the date of this Huarui Offer Document, unless Huarui revises or extends the Huarui Offer in accordance with the Takeovers Code. Huarui has the right under the Takeovers Code to extend the Huarui Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). Huarui will issue an announcement in relation to any extension of the Huarui Offer, which will state either the next Huarui Offer Closing Date or, if the Huarui Offer is at that time unconditional as to acceptances, a statement that the Huarui Offer will remain open until further notice. In the latter case, at least 14 days’ notice in writing must be given before the Huarui Offer is closed to those Shareholders who have not accepted the Huarui Offer.
3. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant and who wish to accept the Huarui Offer should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of HKSCC and HKSCC Operational Procedures and any deadlines set by HKSCC Nominees.
4. Remittances in respect of the consideration for the Shares tendered under the Huarui Offer, less seller’s ad valorem stamp duty payable, will be despatched to those Shareholders validly accepting the Huarui Offer by ordinary post at their own risk as soon as possible but in any event no later than 7 Business Days after the later of (i) the date of receipt of a complete and valid acceptance in respect of the Huarui Offer or (ii) the date on which the Huarui Offer becomes or is declared unconditional in all respects.
5. In accordance with the Takeovers Code, where the Huarui Offer becomes or is declared unconditional, the Huarui Offer should remain open for acceptance for not less than 14 days thereafter. When the Huarui Offer become or are declared unconditional in all respects, at least 14 days’ notice in writing must be given before the Huarui Offer is closed to those Shareholders who have not accepted the Huarui Offer. Huarui has the right, subject to the Takeovers Code, to extend the Huarui Offer until such date as Huarui may determine or as permitted by the Executive, in accordance with the Takeovers Code. Huarui and the Company will jointly issue an announcement in relation to any extension of the Huarui Offer, which will state the next Huarui Offer Closing Date or, if the Huarui Offer has become or is at that time unconditional, that the Huarui Offer will remain open until further notice. In the latter case, at least 14 days’ notice will be given before the Huarui Offer is closed to those Shareholders who have not accepted the Huarui Offer and an announcement will be published.

EXPECTED TIMETABLE

6. In accordance with the Takeovers Code, except with the consent of the Executive, the Huarui Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the despatch date of this Huarui Offer Document. Accordingly, unless the Huarui Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the Huarui Offer will lapse on at 7:00 p.m. on Tuesday, 18 February 2025.
7. Except with the consent of the Executive, all Conditions must be fulfilled or the Huarui Offer must lapse within 21 days of the first Huarui Offer Closing Date or of the date the Huarui Offer becomes or is declared unconditional as to acceptances, whichever is the later. If the Huarui Offer becomes or is declared unconditional in all respects, the Huarui Offer may not remain open for acceptance for more than four months from the despatch date of this Huarui Offer Document, unless Huarui has, by that time, become entitled to exercise such powers of compulsory acquisition.
8. If there is a tropical cyclone warning signal number 8 or above or “extreme conditions” or a “a black rainstorm warning signal” as issued by the Hong Kong Observatory and/or the Government of Hong Kong (collectively, “**severe weather conditions**”) on any of the following deadlines (the “**Key Deadline**”):
 - (a) the Huarui Offer Closing Date and the latest time for acceptance of the Huarui Offer and the submission and publication deadline for a closing announcement under Rule 19.1 of the Takeovers Code; and
 - (b) the latest date for posting of cheques for the amounts due under the Huarui Offer in respect of valid acceptances,
 - (i) in case any severe weather condition is in force in Hong Kong at any local time before 12:00 noon but no longer in force at 12:00 noon and/or thereafter on any Key Deadline, such Key Deadline will remain on the same Business Day; or
 - (ii) in case any severe weather condition is in force in Hong Kong at any local time at 12:00 noon and/or thereafter on any Key Deadline, such Key Deadline will be rescheduled to the following Business Day which does not have any of those warnings or conditions in force in Hong Kong at any time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for the acceptance of the Huarui Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. Huarui and the Company will notify the Shareholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.

LETTER FROM CSCI



20 December 2024

To the Shareholders,

Dear Sir or Madam,

**(1) 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 TO BE ACQUIRED BY HUARUI FENGQUAN
DEVELOPMENT LIMITED AND PARTIES ACTING IN CONCERT WITH IT)
AND
(2) POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF
LISTING**

INTRODUCTION

On 7 June 2024, Huarui notified the Company that it had a firm intention, subject to the satisfaction of the Pre-Conditions, through CSCI on behalf of Huarui, to make a voluntary conditional general cash offer to acquire all of the issued Shares (other than those already owned by or to be acquired by Huarui and parties acting in concert with it) at the Huarui Offer Price.

On 13 December 2024, Huarui and the Company jointly announced that the Pre-Conditions had been satisfied.

This letter forms part of this Huarui Offer Document and sets out information on Huarui, the reasons for making the Huarui Offer and the intentions of Huarui in relation to the Company. The terms of the Huarui Offer are set out in this letter, Appendix I to this Huarui Offer Document and in the accompanying Form of Acceptance.

Your attention is also drawn to the sections headed “Letter from the Board”, “Letter from the Huarui Offer Independent Board Committee” and “Letter from the Huarui Offer Independent Financial Adviser” of this Huarui Offer Document.

LETTER FROM CSCI

THE HUARUI OFFER

The Huarui Offer Price is HK\$7.21 in cash for each Huarui Offer Share.

If any dividend, other distribution or return of capital (whether in cash or in kind), declared, made or paid in respect of the Shares after the date of this Huarui Offer Document, Huarui reserves the right to reduce the Huarui Offer Price by all or any part of the amount or value of such dividend, other distribution or return of capital, in which case any reference in this Huarui Offer Document or any other announcement or document to the Huarui Offer Price will be deemed to be a reference to the Huarui Offer Price as so reduced. As at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid and the Company does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of Huarui Offer.

Huarui reserves the right to revise the terms of the Huarui Offer in accordance with the Takeovers Code.

The Huarui Offer will be made in compliance with the Takeovers Code. The Shares to be acquired under the Huarui Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, pre-emptive rights and any other third-party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the Huarui Offer Closing Date.

PRE-CONDITIONS

The making of the Huarui Offer was subject to the satisfaction of the Pre-Conditions. On 13 December 2024, Huarui and the Company jointly announced that the Pre-Conditions had been satisfied.

CONDITIONS TO THE HUARUI OFFER

The Huarui Offer is subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Huarui Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Huarui Offer Closing Date (or such later time and/or date as Huarui may decide, subject to the rules of the Takeovers Code) in respect of such number of Shares which would result in Huarui and Huarui Concert Parties collectively holding more than 50% of the voting rights of the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) save for any temporary suspension(s) or halt(s) of trading in the Shares for not more than ten(10) consecutive Business Days or suspension or halt(s) of trading in the Shares as a result of the Huarui Offer and no indication having been received on or before the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either the Huarui Offer or anything done or caused by or on behalf of Huarui or the Huarui Concert Parties;

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- (c) no event having occurred or already existing (including any law, order, action, proceeding, suit or investigation instituted or taken by the Relevant Authorities) which would make the Huarui Offer or the acquisition of any of the Shares void, unenforceable, illegal, impracticable or would prohibit implementation of the Huarui Offer or impose any material and adverse conditions or obligations with respect to the Huarui Offer;
- (d) since the date of the 3.5 Announcement, there having been no material adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Huarui Offer); and
- (e) all necessary consents in connection with the Huarui Offer and/or (in the event that Huarui was to exercise the right to acquire compulsorily those Huarui Offer Shares not already owned or acquired by Huarui under the Huarui Offer) the possible withdrawal of the listing of the Shares from the Stock Exchange which may be required under any existing contractual or other obligations of the Group, joint ventures and controlled corporations of the Company having been obtained and remaining in effect.

As at the Latest Practicable Date and based on information available to Huarui, Huarui is not aware of any applicable consents which are required under Condition (e).

Other than Condition (a), Huarui 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, Huarui may only invoke any of the Conditions, other than Condition (a) which is an acceptance condition, as a basis for not proceeding with the Huarui Offer if the circumstances which give rise to the right to invoke any of the Conditions are of material significance to Huarui in the context of the Huarui Offer.

If any of the Conditions is not satisfied or waived (as applicable) on or before the Conditions Long Stop Date, the Huarui Offer will lapse, and Shareholders will be notified by a further announcement as soon as practicable thereafter. As at the Latest Practicable Date, none of the Conditions has been satisfied and/or waived.

Pursuant to Rule 15.3 of the Takeovers Code, Huarui must publish an announcement when the Huarui Offer becomes unconditional as to acceptances and when the Huarui Offer becomes unconditional in all respects. The Huarui Offer must also remain open for acceptance for not less than 14 days after it becomes or is declared unconditional (whether as to acceptances or in all respects). Shareholders are reminded that Huarui does not have any obligation to keep the Huarui Offer open for acceptance beyond this 14-day period.

WARNING: COMPLETION OF THE HUARUI OFFER IS SUBJECT TO THE CONDITIONS BEING FULFILLED OR WAIVED (AS APPLICABLE). THE ISSUE OF THIS HUARUI OFFER DOCUMENT DOES NOT IN ANY WAY IMPLY THAT THE HUARUI OFFER WILL BE COMPLETED. THE HUARUI OFFER MAY OR MAY NOT BECOME UNCONDITIONAL AND WILL LAPSE IF IT DOES NOT BECOME UNCONDITIONAL. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

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THE IRREVOCABLE UNDERTAKING

On 6 June 2024, Mr. Zhang Wei (who holds 245,080,000 Shares, representing approximately 22.01% of the issued Shares as at the Latest Practicable Date) and Huarui entered into the Irrevocable Undertaking, pursuant to which, among other things, Mr. Zhang Wei has unconditionally and irrevocably agreed and undertaken to accept the Huarui Offer in respect of the Relevant Shares prior to the last acceptance date of the Huarui Offer, and Mr. Zhang Wei has undertaken not to withdraw such acceptance.

The Irrevocable Undertaking will be terminated immediately upon (i) the Huarui Offer having lapsed, been withdrawn or closed, (ii) the Pre-Conditions not having been satisfied on or before the Pre-Conditions Long Stop Date, (iii) if any person (other than Huarui) makes an offer to acquire the Shares at an offer price higher than the Huarui Offer Price, (iv) Huarui fails to complete the acquisition of the Relevant Shares within 6 months from the date of the Irrevocable Undertaking, or (v) the written consent of Huarui and Mr. Zhang Wei, whichever is earlier. The Irrevocable Undertaking has lapsed on 6 December 2024 given Huarui has not completed the acquisition of the Relevant Shares within 6 months from the date of the Irrevocable Undertaking.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF SHARES

If Huarui acquires not less than 90% of the Huarui Offer Shares (as required by Section 693 of the Companies Ordinance) and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, Huarui intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares not acquired by Huarui under the Huarui Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be held as to 100% by Huarui and Huarui Concert Parties and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with Rule 6.15(1) of the Listing Rules.

Whilst it is the intention of Huarui to privatise the Company, Huarui's ability to exercise rights of compulsory acquisition in respect of the Huarui Offer Shares is dependent on the level of acceptance of the Huarui Offer and acquisitions 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 Huarui Offer Shares validly tendered for acceptance under the Huarui Offer and otherwise acquired are less than 90% of the Huarui Offer Shares or less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, the Shares will remain listed on the Main Board of the Stock Exchange.

Due to successive on-market acquisitions by one of the Shareholders, Mr. Zhang Wei, the public float of the Company 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 Latest Practicable Date, the public float of the Company is approximately 23.02%.

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As described above, Huarui proposes to take private the Company, subject to the satisfaction of the requirements as set out above for the withdrawal of listing. In the event that the withdrawal of listing fails and the public float of the Company remains to fall below 25% following the close of the Huarui Offer, the directors of the Huarui and the new directors to be appointed to the Board will jointly and severally 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 Huarui Offer.

In the event Huarui exercises its power of compulsory acquisition, further announcements will be published in accordance with the Listing Rules, amongst other things, the expected date that the trading of the Company's shares will be suspended.

If, upon closing of the Huarui Offer, less than 25% of the issued Shares (being the minimum public float applicable to the Company) 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 the 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 attained.

HUARUI OFFER PRICE AND COMPARISON OF VALUE

The Huarui Offer Price of HK\$7.21 per Huarui Offer Share under the Huarui Offer represents:

- (a) a premium of approximately 1.4% over the closing price of HK\$7.11 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 38.7% over the closing price of HK\$5.20 per Share as quoted on the Stock Exchange on the last trading day prior to the publication of the Champion 3.7 Announcement;
- (c) a premium of approximately 12.5% over the closing price of HK\$6.41 per Share as quoted on the Stock Exchange on the last trading day prior to the publication of the Huarui 3.7 Announcement;
- (d) a premium of approximately 4.9% over the closing price of HK\$6.87 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (e) a premium of approximately 6.8% over the average closing price of approximately HK\$6.75 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date;
- (f) a premium of approximately 5.7% over the average closing price of approximately HK\$6.82 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date;
- (g) a premium of approximately 5.8% over the average closing price of approximately HK\$6.81 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date; and

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- (h) a premium of approximately 31.0% over the consolidated net asset value attributable to owners of the Company per Share of approximately RMB4.99 (equivalent to approximately HK\$5.51) as at 31 December 2023, calculated based on (i) the Group's consolidated net assets attributable to owners of the Company of approximately RMB5,555,226,000 as at 31 December 2023 as disclosed in the annual report of the Company published on 18 April 2024; (ii) 1,113,423,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of HK\$1:RMB0.90622, being the median exchange rate on 29 December 2023 as announced by the People's Bank of China.
- (i) a premium of approximately 26.7% over the consolidated net asset value attributable to owners of the Company per Share of approximately RMB5.20 (equivalent to approximately HK\$5.69) as at 30 June 2024, calculated based on (i) the Group's unaudited consolidated net assets attributable to owners of the Company of approximately RMB5,784,667,000 as at 30 June 2024 as disclosed in the interim report of the Company published on 19 August 2024; (ii) 1,113,423,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of HK\$1:RMB0.91268, being the median exchange rate on 28 June 2024 as announced by the People's Bank of China.

Market prices

The table below sets out the closing price of the Shares on the Stock Exchange on (i) the last trading day of each of the calendar months during the six months preceding 17 August 2023 (being the commencement date of the Huarui Offer Period) and up to the Latest Practicable Date, (ii) the last trading day before publication of the Champion 3.7 Announcement and the 3.5 Announcement, and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
28 February 2023	4.67
31 March 2023	4.31
28 April 2023	4.48
31 May 2023	4.08
30 June 2023	3.89
31 July 2023	4.37
16 August 2023 (being the last trading day before the publication of the Champion 3.7 Announcement)	5.20
31 August 2023	5.78
29 September 2023	5.83
31 October 2023	6.00
30 November 2023	6.48
11 December 2023 (being the last trading day before publication of the Huarui 3.7 Announcement)	6.41
29 December 2023	6.73
31 January 2024	6.74
29 February 2024	7.00

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Date	Closing price per Share (HK\$)
28 March 2024	6.85
30 April 2024	6.70
31 May 2024	6.80
6 June 2024 (being the Last Trading Date)	6.87
28 June 2024	6.93
31 July 2024	6.95
30 August 2024	7.10
30 September 2024	6.96
31 October 2024	6.79
29 November 2024	6.87
17 December 2024 (being the Latest Practicable Date)	7.11

Highest and lowest closing prices of the Shares

During the six-month period immediately prior to 17 August 2023 (being the commencement date of the Huarui Offer Period) up to and including the Latest Practicable Date, the highest closing price of Shares as quoted on the Stock Exchange was HK\$7.18 per Share on 3 September 2024, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$3.77 per Share on 27 June 2023.

Total consideration under the Huarui Offer

Based on the published information of the Company, as at the Latest Practicable Date, there are 1,113,423,000 Shares in issue. Save as disclosed above, Huarui is not aware of any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the Latest Practicable Date.

On the basis of the Huarui Offer Price of HK\$7.21 per Huarui Offer Share, the entire issued share capital of the Company is valued at HK\$8,027,779,830. Save for 269,341,200 Shares held by ORG Development, 2,326,000 Shares held by Hubei ORG and 403,000 Shares held by CSCI Investment, neither Huarui nor any of the Huarui Concert Parties held any Shares. 841,352,800 Shares in issue will be subject to the Huarui Offer and the aggregate amount payable by Huarui under the Huarui Offer will be approximately HK\$6,066,153,688 on the assumption that the Huarui Offer is accepted in full and there is no change in the number of issued Shares from the Latest Practicable Date up to the close of the Huarui Offer.

Confirmation of financial resources

Huarui intends to finance the consideration payable under the Huarui Offer by external financing from Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong Branch. Huarui has entered into the Share Charge to secure repayment of such external financing. Huarui does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) thereunder will depend to any significant extent on the business of the Company.

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CSCI, the financial adviser to Huarui, is satisfied that sufficient financial resources are available to Huarui to satisfy its payment obligations on full acceptance of the Huarui Offer in accordance with its terms.

INFORMATION ON HUARUI

Huarui is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holdings activities.

As at the Latest Practicable Date, Huarui is indirectly wholly owned by Huarui Consulting which in turn is wholly owned by View Harmony Packaging which is owned as to 95.83% by Huarui Parent and 4.17% by Suzhou SLAC.

Huarui Parent is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 002701). The single largest shareholder of Huarui Parent is Yuanlong Holdings which holds approximately 32.84% of the issued shares of Huarui Parent. Mr. Zhou is the beneficial owner of 78% equity interests in Yuanlong Holdings. In addition to Yuanlong Holdings, Mr. Zhou is also the beneficial owner of 80% equity interests in several companies which collectively hold approximately 0.70% of the total issued shares of Huarui Parent. Huarui Parent is a comprehensive packaging solution provider with a focus on brand planning, packaging design and manufacturing, filling services, and information-assisted marketing.

REASONS AND BENEFITS OF THE HUARUI OFFER

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.

Huarui Parent is a leading provider on manufacturing and sale of packaging products. Huarui Parent has been a key shareholder of the Company since 2016. If the Huarui Offer shall become unconditional, Huarui will become the controlling shareholder of the Company after the completion of the Huarui Offer. It is the intention of Huarui to explore synergistic effects between the Huarui Group and the Group as further set out in the paragraph headed “Intention of Huarui with regard to the Group” below.

The Huarui Offer Price of HK\$7.21 per Huarui Offer Share represents a premium of approximately 4.9% over the closing price of HK\$6.87 per Share as quoted on the Stock Exchange on the Last Trading Date. The Huarui Offer provides an attractive opportunity for the Shareholders to realise their investment at a compelling premium to the prevailing market price of the Shares.

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INTENTIONS OF HUARUI WITH REGARD TO THE GROUP

Upon completion of the Huarui Offer, the Company will become a subsidiary of Huarui Parent which is listed on the Shenzhen Stock Exchange. It is the intention of Huarui to explore synergistic effect between the Huarui Group and the Group through standardization and consolidation of the systems and management between Huarui Parent and the Group. Certain relevant disclosures in the MAR Report are extracted and summarised as follows:

Enhance the competitiveness of Chinese packaging enterprises and create a national brand in metal packaging

According to data from the China Packaging Federation, in 2023, there were 928 enterprises above designated size in China's metal packaging industry, but the level of large-scale production is lagging behind, with few enterprises able to compete with international giants. In terms of operating scale, business scope, market value level, etc., Huarui Parent has already occupied a leading position in the industry, with a relatively small gap compared to international giants.

Through the Huarui Offer, Huarui Parent and the Company can leverage their respective resources and advantages to jointly explore the market, cultivate domestic and overseas operations and production bases, thereby further expanding the global industrial chain, value chain and logistics chain, further enhancing the domestic and international market influence of Huarui Parent, and contributing to the creation of a national brand in metal packaging.

Consolidate main business, expand strategic customers, and promote sustainable development

The Group and Huarui Group are deeply rooted in the metal packaging industry and are companies in the same industry. Through completion of the Huarui Offer, Huarui Parent hopes to consolidate its main business, expand strategic customers and promote sustainable development.

In terms of its main business, the Company is engaged in the production and sales of consumer goods packaging products, mainly producing two-piece cans, single-piece cans and other packaging products, covering beverage, beer, dairy products, and other packaging markets. Through the Huarui Offer, Huarui Parent will further consolidate its main business of two-piece cans and three-piece beverage and milk powder cans, and further enrich its domestic product lines of steel barrels, aerosol cans, and plastic packaging, cultivating new profit growth points. Huarui Parent will also achieve complementary advantages with the Company in multiple dimensions such as technology, marketing, production capacity, and supply chain, serving customers with different needs with differentiated positioning, thereby further expanding strategic customers, reducing dependence on single customers, and promoting sustainable development.

Integration and control arrangements

After the completion of the Huarui Offer, Huarui Parent will obtain control of the Company. Under the premise of complying with the regulatory requirements of the capital markets in both Hong Kong and the PRC, Huarui Parents intends to integrate with the Company in terms of business, assets, finance, personnel, and organization, and formulate the following integration measures:

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1. **Business Aspect:** After the completion of the Huarui Offer, the business of the Company will be incorporated into the business system of Huarui Parent for management. Huarui Parent will guide the business plan and business direction of the Company according to the established strategic objectives and development plans, fully leveraging the respective advantages of both parties, sharing customer resources, jointly exploring the market, and achieving balanced, orderly, and healthy development of the whole and each party.
2. **Asset Aspect:** After the completion of the Huarui Offer, the management of the Company's assets will follow the unified management system of Huarui Parent, and approval procedures will be carried out in accordance with Huarui Parent's management standards. Huarui Parent will, leveraging its relatively well-established management experience and considering the actual operational conditions of the Company, will further optimise the allocation of the Company's asset elements, improve asset utilisation efficiency, and enhance the company's core competitiveness.
3. **Financial Aspect:** After the completion of the Huarui Offer, the Company, as an independent legal entity, will maintain a certain degree of financial independence. Huarui Parent will also incorporate the Company into its domestic financial management system, achieving centralised management of financial information and ensuring the overall financial compliance level of the listed company.
4. **Personnel Aspect:** The Company's production and operations are developing steadily, and its main management team remains stable. After the completion of the Huarui Offer, Huarui Parent will, on one hand, maintain the stability of the Company's existing management team and grant them a high degree of autonomy to fully leverage their experience and business capabilities. On the other hand, it will rely on Huarui Parent's standardised management model to enhance employees' sense of cultural identity and awareness of compliant operations, further improving the management level of both Huarui Parent and the Company.
5. **Institutional Aspect:** After the completion of the Huarui Offer, Huarui Parent will participate in the Company's business management to ensure that the Company strictly adheres to the internal control systems of Huarui Parent, thereby further improving its governance structure and compliance capabilities. Additionally, the Company will strictly comply with the internal control and subsidiary management systems of Huarui Parent.

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Although it is the intention of Huarui to explore possible synergistic effect, the Shareholders should note the following risk which has been disclosed in the MAR Report which is extracted and summarised as follows:

Risk relating to business integration after completion of the Huarui Offer

After the completion of the Huarui Offer, Huarui Parent will enhance its marketing system, product matrix and customer resources, further consolidating its leading position in the industry and improve the operating capabilities. However, due to the large scale and wide range of assets involved in the material assets restructuring and the intense competition in the metal packaging market, there is still certain uncertainty as to whether the synergies can be smoothly realised after the completion of the Huarui Offer. In order to maximise the synergies of the Huarui Offer, from the perspective of the Huarui Parent's operation and resources allocation, Huarui Parent and the Company still need to carry out further integration in terms of financial management, resource management, business expansion, corporate culture, etc., which has put forward higher requirements on Huarui Parent's operation and management capabilities. If there is a loss of management personnel of the Company in the future and Huarui Parent is unable to establish a management team for the management of the Company, it may not be possible to smoothly integrate the Company into the overall business system, therefore, there is a risk that the integration plan of the Huarui Offer may not be successfully implemented or the effect of the integration may not be achieved as expected. Investors are reminded of the relevant risks.

As at the Latest Practicable Date, Huarui has no intention to discontinue the employment of any employees of the Group other than staff movements in the ordinary and usual course of business. In addition, as at the Latest Practicable Date, Huarui does not have any specific plans to introduce any major changes to the businesses of the Group (including any redeployment of fixed assets of the Group). Huarui will continue to consider how to develop the Group in a manner which best enhances efficiency and shareholder value and, in that regard, will consider reviewing and optimising its assets structure which will be dependent on a number of factors including market conditions, legal and regulatory requirements and its business needs.

GENERAL MATTERS RELATING TO THE HUARUI OFFER

Effect of accepting the Huarui Offer

By validly accepting the Huarui Offer, each Shareholder will sell to Huarui their tendered Huarui Offer Shares free from all liens, charges, encumbrances, pre-emptive rights and any other third-party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the record date of which is on or after the date on which the Huarui Offer is made, being the date of the despatch of this Huarui Offer Document.

Hong Kong stamp duty, taxation and independent advice

Seller's ad valorem stamp duty at the rate of 0.1 % of (i) the value of the consideration arising on acceptances of the Huarui Offer payable by Huarui or (ii) if higher, the market value of the Huarui Offer Shares will be payable by the Shareholders who accept the Huarui Offer. The relevant amount of stamp duty payable by the Shareholders who accept the Huarui Offer will be deducted from the consideration payable to them under the Huarui Offer.

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Huarui will bear buyer's ad valorem stamp duty in respect of acceptances of the Huarui Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the Shares in respect of which the Huarui Offer is accepted.

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 Huarui Offer. It is emphasised that none of Huarui, Huarui Concert Parties, the Company, CSCI and their respective directors, officers or associates or any other person involved in the Huarui Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Huarui Offer.

Overseas Shareholders

The making of the Huarui Offer to Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Shareholder who wishes to accept or take any other action in relation to the Huarui Offer to satisfy himself/herself/itself as to the full observance of the laws 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 issue, transfer or other taxes due from such Shareholder in such relevant jurisdictions.

Any acceptance by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to Huarui, the Company and their respective advisers (including CSCI) that all applicable laws and requirements have been complied with by such Shareholder and that the Huarui Offer can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

Settlement of consideration

Settlement of the consideration under the Huarui Offer will be made as soon as possible, but in any event no later than 7 Business Days after the later of (i) the date of receipt of a complete and valid acceptance in respect of the Huarui Offer or (ii) the Huarui Offer Unconditional Date.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who validly accepts the Huarui Offer will be rounded up to the nearest cent.

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SHAREHOLDING OF THE COMPANY

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Huarui Offer (assuming that there is no change in the share capital of the Company since the Latest Practicable Date and immediately after completion of the Huarui Offer and the Huarui Offer is fully accepted by the Shareholders):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Huarui Offer	
	Number of Shares	Approximate percentage of shareholding	Number of Shares	Approximate percentage of shareholding
Huarui and Huarui Concert Parties				
ORG Development (<i>Note 1</i>)	269,341,200	24.19%	269,341,200	24.19%
Hubei ORG (<i>Note 1</i>)	2,326,000	0.21%	2,326,000	0.21%
CSCI Investment (<i>Note 2</i>)	403,000	0.03%	403,000	0.03%
Huarui	-	-	841,352,800	75.56%
Sub-total	<u>272,070,200</u>	<u>24.43%</u>	<u>1,113,423,000</u>	<u>100%</u>
Substantial Shareholders				
China Foods (<i>Note 3</i>)	330,658,800	29.70%	-	-
Zhang Wei	245,080,000	22.01%	-	-
Sub-total	<u>575,738,800</u>	<u>51.71%</u>	<u>-</u>	<u>-</u>
Directors				
Zhang Ye (<i>Note 4</i>)	9,366,000	0.84%	-	-
Qu Hongliang (<i>Note 4</i>)	300,000	0.03%	-	-
Sub-total	<u>9,666,000</u>	<u>0.87%</u>	<u>-</u>	<u>-</u>
Other public Shareholders	<u>255,948,000</u>	<u>22.99%</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>

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Notes:

- (1) ORG Development and Hubei ORG hold 269,341,200 Shares and 2,326,000 Shares, respectively. ORG Development is wholly owned by ORG International. ORG International and Hubei ORG are wholly owned by Huarui Parent. Huarui Parent is owned as to approximately 32.84% by Yuanlong Holdings. Mr. Zhou is the beneficial owner of 78% equity interests in Yuanlong Holdings. In addition to Yuanlong Holdings, Mr. Zhou is the beneficial owner of 80% equity interests in several companies which collectively hold approximately 0.70% of the total issued shares of Huarui Parent. Therefore, Mr. Zhou is deemed to be beneficially interested in the Shares held by ORG Development and Hubei ORG.
- (2) CSCI is the financial adviser of Huarui in respect of the Huarui Offer. Accordingly, CSCI and CSCI Investment are presumed to be acting in concert with Huarui in respect of their shareholding in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code.
- (3) China Foods is a wholly owned subsidiary of COFCO (HK). China Foods and COFCO (HK) are wholly owned subsidiaries of COFCO, which is ultimately and beneficially owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. COFCO (HK) and COFCO are therefore deemed to be interested in the 330,658,800 Shares held by China Foods.
- (4) Each of Mr. Zhang Ye and Mr. Qu Hongliang is an executive Director as at the Latest Practicable Date.
- (5) The percentage figures include in the table above have been subject to rounding adjustments. Any discrepancies in the table on total percentage above are due to rounding adjustments.

ADDITIONAL INFORMATION

Your attention is drawn to the sections headed “Letter from the Board”, “Letter from the Huarui Offer Independent Board Committee” and “Letter from the Huarui Offer Independent Financial Advisor” as set out in this Huarui Offer Document, the accompanying Form of Acceptance and the additional information set out in the appendices to, and which forms part of, this Huarui Offer Document.

Yours faithfully,
For and on behalf of
China Securities (International) Corporate Finance Company Limited
George Yen
Executive Director
Head of Mergers & Acquisitions

LETTER FROM THE BOARD



CPMC HOLDINGS LIMITED

中糧包裝控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 906)

Executive Directors:

Mr. Zhang Ye (Chairman)

Mr. Qu Hongliang

Non-Executive Directors:

Dr. Zhao Wei

Mr. Meng Fanjie

Mr. Zhou Yuan

Mr. Shen Tao

Independent Non-Executive Directors:

Mr. Cheng Yuk Wo

Mr. Pun Tit Shan

Mr. Chen Jihua

Registered Office:

33rd Floor, COFCO Tower

262 Gloucester Road

Causeway Bay

Hong Kong

20 December 2024

To the Shareholders

Dear Sir or Madam,

**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 TO BE
ACQUIRED BY HUARUI FENGQUAN DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Reference is made to the 3.5 Announcement jointly published by Huarui and the Company in relation to the Huarui Offer.

The purpose of this Huarui Offer Document of which this letter forms part is to provide you with, among other matters, the terms of the Huarui Offer, information relating to the Group and the Huarui Offer, as well as to set out (i) the letter from the Huarui Offer Independent Board Committee containing its recommendations to the Disinterested Shareholders in respect of the Huarui Offer; and (ii) the letter from the Huarui Offer Independent Financial Adviser containing its advice to the Huarui Offer Independent Board Committee in respect of the Huarui Offer.

LETTER FROM THE BOARD

You are advised to read the recommendation of the Huarui Offer Independent Board Committee and the letter from the Huarui Offer Independent Financial Adviser in conjunction with this Huarui Offer Document carefully before taking any action in respect of the Huarui Offer.

Terms used in this letter shall have the same meanings as defined in this Huarui Offer Document unless the context otherwise requires.

THE HUARUI OFFER

The information relating to the Huarui Offer below is extracted from the section headed “Letter from CSCI” of this Huarui Offer Document.

The terms of the Huarui Offer are set out in the “Letter from CSCI” of this Huarui Offer Document and the Form of Acceptance. You are recommended to refer to the “Letter from CSCI” of this Huarui Offer Document and the Form of Acceptance for further details.

The Huarui Offer Price is HK\$7.21 in cash for each Huarui Offer Share.

If any dividend, other distribution or return of capital (whether in cash or in kind), declared, made or paid in respect of the Shares after the date of this Huarui Offer Document, Huarui reserves the right to reduce the Huarui Offer Price by all or any part of the amount or value of such dividend, other distribution or return of capital, in which case any reference in this Huarui Offer Document or any other announcement or document to the Huarui Offer Price will be deemed to be a reference to the Huarui Offer Price as so reduced. As at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid and the Company does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of Huarui Offer.

Huarui reserves the right to revise the terms of the Huarui Offer in accordance with the Takeovers Code.

The Huarui Offer will be made in compliance with the Takeovers Code. The Shares to be acquired under the Huarui Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, pre-emptive rights and any other third-party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the Huarui Offer Closing Date.

PRE-CONDITIONS

The making of the Huarui Offer was subject to the satisfaction of the Pre-Conditions. On 13 December 2024, Huarui and the Company jointly announced that the Pre-Conditions had been satisfied.

LETTER FROM THE BOARD

CONDITIONS TO THE HUARUI OFFER

The Huarui Offer is subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Huarui Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Huarui Offer Closing Date (or such later time and/or date as Huarui may decide, subject to the rules of the Takeovers Code) in respect of such number of Shares which would result in Huarui and Huarui Concert Parties collectively holding more than 50% of the voting rights of the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) save for any temporary suspension(s) or halt(s) of trading in the Shares for not more than ten(10) consecutive Business Days or suspension or halt(s) of trading in the Shares as a result of the Huarui Offer and no indication having been received on or before the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either the Huarui Offer or anything done or caused by or on behalf of Huarui or the Huarui Concert Parties;
- (c) no event having occurred or already existing (including any law, order, action, proceeding, suit or investigation instituted or taken by the Relevant Authorities) which would make the Huarui Offer or the acquisition of any of the Shares void, unenforceable, illegal, impracticable or would prohibit implementation of the Huarui Offer or impose any material and adverse conditions or obligations with respect to the Huarui Offer;
- (d) since the date of the 3.5 Announcement, there having been no material adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Huarui Offer); and
- (e) all necessary consents in connection with the Huarui Offer and/or (in the event that Huarui was to exercise the right to acquire compulsorily those Huarui Offer Shares not already owned or acquired by Huarui under the Huarui Offer) the possible withdrawal of the listing of the Shares from the Stock Exchange which may be required under any existing contractual or other obligations of the Group, joint ventures and controlled corporations of the Company having been obtained and remaining in effect.

As at the Latest Practicable Date and based on information available to Huarui, Huarui is not aware of any applicable consents which are required under Condition (e).

Other than Condition (a), Huarui 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, Huarui may only invoke any of the Conditions, other than Condition (a) which is an acceptance condition, as a basis for not proceeding with the Huarui Offer if the circumstances which give rise to the right to invoke any of the Conditions are of material significance to Huarui in the context of the Huarui Offer.

LETTER FROM THE BOARD

If any of the Conditions is not satisfied or waived (as applicable) on or before the Conditions Long Stop Date, the Huarui Offer will lapse, and Shareholders will be notified by a further announcement as soon as practicable thereafter. As at the Latest Practicable Date, none of the Conditions has been satisfied and/or waived.

Pursuant to Rule 15.3 of the Takeovers Code, Huarui must publish an announcement when the Huarui Offer becomes unconditional as to acceptances and when the Huarui Offer becomes unconditional in all respects. The Huarui Offer must also remain open for acceptance for not less than 14 days after it becomes or is declared unconditional (whether as to acceptances or in all respects). Shareholders are reminded that Huarui does not have any obligation to keep the Huarui Offer open for acceptance beyond this 14-day period.

WARNING: COMPLETION OF THE HUARUI OFFER IS SUBJECT TO THE CONDITIONS BEING FULFILLED OR WAIVED (AS APPLICABLE). THE ISSUE OF THIS HUARUI OFFER DOCUMENT DOES NOT IN ANY WAY IMPLY THAT THE HUARUI OFFER WILL BE COMPLETED. THE HUARUI OFFER MAY OR MAY NOT BECOME UNCONDITIONAL AND WILL LAPSE IF IT DOES NOT BECOME UNCONDITIONAL. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

FURTHER DETAILS OF THE HUARUI OFFER

Further details of the Huarui Offer including, among others, the expected timetable, terms and procedures of acceptance of the Huarui Offer, are set out in “Further Terms of the Huarui Offer” in Appendix I to this Huarui Offer Document and the Form of Acceptance.

INFORMATION OF THE GROUP

The Company 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.

Your attention is drawn to Appendices II and IV to this Huarui Offer Document which contain further financial and general information of the Group.

INFORMATION ON HUARUI, REASONS FOR THE HUARUI OFFER AND INTENTION OF HUARUI IN RELATION TO THE GROUP

Your attention is drawn to the paragraphs headed “Information on Huarui”, “Reasons and Benefits of the Huarui Offer” and “Intentions of Huarui with regard to the Group” in the “Letter from CSCI” as set out in this Huarui Offer Document.

LETTER FROM THE BOARD

As stated in the “Letter from CSCI” of this Huarui Offer Document, Huarui has no intention to discontinue the employment of any employees of the Group other than staff movements in the ordinary and usual course of business. In addition, as at the Latest Practicable Date, Huarui does not have any specific plans to introduce any major changes to the businesses of the Group (including any redeployment of fixed assets of the Group).

The Board is aware of Huarui’s intentions in respect of the Group and its employees and is willing to cooperate with Huarui and act in the best interests of the Company and the Shareholders as a whole.

The Board noted that there is no reference to removal or resignation of existing Directors from the Board in the Letter from CSCI. Pursuant to Rule 7 of the Takeovers Code, except with the consent of the Executive, no resignation of Directors shall take effect until after the publication of the closing announcement on the first closing date of an offer, or the publication of the announcement that an offer has become or been declared unconditional, whichever is later. The Directors confirm that they have no intention to resign within such period.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

Your attention is drawn to the paragraph headed “Possible Compulsory Acquisition and Withdrawal of Listing of Shares” in the “Letter from CSCI” as set out in this Huarui Offer Document.

As stated in the “Letter from CSCI” of this Huarui Offer Document, if Huarui acquires not less than 90% of the Huarui Offer Shares (as required by Section 693 of the Companies Ordinance) and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, Huarui intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares not acquired by Huarui under the Huarui Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be held as to 100% by Huarui and Huarui Concert Parties and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with the Listing Rules.

Whilst it is the intention of Huarui to privatise the Company, Huarui’s ability to exercise rights of compulsory acquisition in respect of the Huarui Offer Shares is dependent on the level of acceptance of the Huarui Offer and acquisitions 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 Huarui Offer Shares validly tendered for acceptance under the Huarui Offer and otherwise acquired are less than 90% of the Huarui Offer Shares or less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, the Shares will remain listed on the Main Board of the Stock Exchange.

Due to successive on-market acquisitions by one of the Shareholders, Mr. Zhang Wei, the public float of the Company 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 Latest Practicable Date, the public float of the Company is approximately 23.02%.

LETTER FROM THE BOARD

If less than 25% of the issued Shares (being the minimum public float applicable to the Company) 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 the 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 attained. In that case, Huarui will take such steps as are necessary to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

In the event that the withdrawal of listing fails and the public float of the Company remains to fall below 25% following the close of the Huarui Offer, Directors will jointly and severally undertake to the Stock Exchange to take appropriate steps to use their best efforts to procure to restore sufficient public float for the Shares as soon as possible following the close of the Huarui Offer.

In the event Huarui exercises its power of compulsory acquisition, further announcements will be published in accordance with the Listing Rules, amongst other things, the expected date that the trading of the Company's shares will be suspended.

The Stock Exchange has stated that if, at the close of the Huarui Offer, less than the minimum prescribed percentage applicable to the Company being 25% of the Shares (excluding treasury 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) that 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.

CONFLICTS OF INTEREST

As disclosed in the 3.5 Announcement, taking into account that Mr. Zhou Yuan and Mr. Shen Tao (both being non-executive Directors) are directors of Huarui and Huarui Parent and Dr. Zhao Wei and Mr. Meng Fanjie (both being non-executive Directors) serve certain positions in COFCO, and China Foods (a wholly owned subsidiary of COFCO) has given the COFCO Irrevocable Undertaking to Champion in relation to the Champion Offer, each of Mr. Zhou Yuan, Mr. Shen Tao, Dr. Zhao Wei and Mr. Meng Fanjie is not considered as independent for the purpose of giving advice or recommendations to the Disinterested Shareholders despite China Foods is not acting in concert with Huarui and Champion. To avoid any conflict of interest, each of Dr. Zhao Wei, Mr. Meng Fanjie, Mr. Zhou Yuan and Mr. Shen Tao will not join the remainder of the Board in the expression of views on the Huarui Offer. As the Champion Offer has lapsed, the COFCO Irrevocable Undertaking has already been terminated.

As at the Latest Practicable Date, as disclosed in the latest disclosure of interest notices filed by China Foods, COFCO (HK), and COFCO pursuant to Part XV of the SFO, China Foods is a wholly-owned subsidiary of COFCO (HK). COFCO (HK) is therefore deemed to be interested in the 330,658,800 Shares held by China Foods, representing approximately 29.70% of the total issued Shares as at the Latest Practicable Date. COFCO (HK) and China Foods are wholly-owned subsidiaries of COFCO. COFCO is therefore deemed to be interested in the shares held by COFCO (HK) and China Foods.

LETTER FROM THE BOARD

RECOMMENDATION

Pursuant to Rule 2.1 of the Takeovers Code, the Huarui Offer Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheng Yuk Wo, Mr. Pun Tit Shan and Mr. Chen Jihua, has been established to make recommendation to the Disinterested Shareholders in respect of the Huarui Offer and to advise the Disinterested Shareholders as to whether or not the Huarui Offer are fair and reasonable and as to the acceptance of the Huarui Offer. Somerley has been appointed as the Huarui Offer Independent Financial Adviser, with the approval of the Huarui Offer Independent Board Committee, to advise the Huarui Offer Independent Board Committee in respect of the Huarui Offer.

Your attention is drawn to (i) the letter from the Huarui Offer Independent Board Committee set out on pages 32 to 33 of this Huarui Offer Document which contains its recommendation to the Disinterested Shareholders as to whether the Huarui Offer is, or is not, fair and reasonable and as to their acceptance of the Huarui Offer; and (ii) the letter from the Huarui Offer Independent Financial Adviser set out on pages 34 to 62 of this Huarui Offer Document which contains its advice to the Huarui Offer Independent Board Committee in connection with the Huarui Offer, as well as the principal factors and reasons considered by it in arriving at its advice. Disinterested Shareholders should read these letters in conjunction with this Huarui Offer Document carefully before taking any action in respect of the Huarui Offer.

The Huarui Offer Independent Financial Adviser is of the view that the Huarui Offer are **fair and reasonable** so far as the Disinterested Shareholders are concerned and accordingly recommend the Disinterested Shareholders **to accept** the Huarui Offer.

Having considered the terms of the Huarui Offer and the advice from the Huarui Offer Independent Financial Adviser, the Huarui Offer Independent Board Committee considers that the Huarui Offer are **fair and reasonable** so far as the Disinterested Shareholders are concerned and accordingly recommends the Disinterested Shareholders **to accept** the Huarui Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Huarui Offer Document. You are also recommended to read carefully this Huarui Offer Document and the accompanying Form(s) of Acceptance for further details in respect of the procedures for acceptance of the Huarui Offer.

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



CPMC HOLDINGS LIMITED
中糧包裝控股有限公司
(incorporated in Hong Kong with limited liability)
(Stock code: 906)

20 December 2024

To the Disinterested Shareholders

Dear Sir or Madam,

**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 TO BE
ACQUIRED BY HUARUI FENGQUAN DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

We refer to this Huarui Offer Document dated 20 December 2024 and issued jointly by Huarui and the Company, in which this letter forms a part. Unless the context otherwise requires, terms defined in this Huarui Offer Document shall have the same meanings as in this letter.

We have been appointed to form the Huarui Offer Independent Board Committee to consider the terms of the Huarui Offer and to advise the Disinterested Shareholders as to whether or not the Huarui Offer are fair and reasonable and to make a recommendation as to acceptance of the Huarui Offer. We, being the members of the Huarui Offer Independent Board Committee, have declared that we are independent and do not have any conflict of interest in respect of the Huarui Offer and are therefore able to consider the terms of the Huarui Offer and to make recommendations to the Disinterested Shareholders.

LETTER FROM THE HUARUI OFFER INDEPENDENT BOARD COMMITTEE

Somerley has been appointed as the Huarui Offer Independent Financial Adviser with our approval to advise us in respect of the above. Details of its advice and the principal factors and reasons which it has considered before arriving at its advice and recommendation are set out in the letter from the Huarui Offer Independent Financial Adviser on pages 34 to 62 of this Huarui Offer Document.

We also wish to draw your attention to the letter from the Board and the additional information set out in the appendices to this Huarui Offer Document.

Having considered the terms of the Huarui Offer and the advice from the Huarui Offer Independent Financial Adviser, we concur with the advice of the Huarui Offer Independent Financial Adviser, and consider that the Huarui Offer is **fair and reasonable** so far as the Disinterested Shareholders are concerned and accordingly recommend the Disinterested Shareholders **to accept** the Huarui Offer.

Disinterested Shareholders should consider carefully the terms of the Huarui Offer and are recommended to read the full text of the letter from the Huarui Offer Independent Financial Adviser set out in this Huarui Offer Document before making a decision to accept or not to accept the Huarui Offer. If in any doubt, the Disinterested Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,

For and on behalf of the Huarui Offer Independent Board Committee

CPMC Holdings Limited

Independent Non-Executive Directors:

Mr. Cheng Yuk Wo

Mr. Pun Tit Shan

Mr. Chen Jihua

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Somerley Capital Limited to the Huarui Offer Independent Board Committee in relation to the Huarui Offer, which has been prepared for the purpose of inclusion in the Huarui Offer Document.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

20 December 2024

To: The Huarui Offer Independent Board Committee

Dear Sirs,

**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 TO BE ACQUIRED BY HUARUI FENGQUAN
DEVELOPMENT LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment to advise the Huarui Offer Independent Board Committee in connection with the Huarui Offer. The terms of the Huarui Offer are set out in the Huarui Offer Document dated 20 December 2024, of which this letter forms a part. Terms used in this letter shall have the same meaning as those defined in the Huarui Offer Document unless the context requires otherwise.

On 7 June 2024, Huarui notified the Company that it had a firm intention, subject to the satisfaction of the Pre-Conditions, through CSCI on behalf of Huarui, to make a voluntary conditional general cash offer to acquire all of the issued Shares (other than those already owned by or to be acquired by Huarui and parties acting in concert with it) at the Huarui Offer Price, being HK\$7.21 for each Huarui Offer Share. On 13 December 2024, Huarui and the Company jointly announced that the Pre-Conditions had been satisfied. The Huarui Offer is conditional on, among others, valid acceptances of the Huarui Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Huarui Offer Closing Date (or such later time and/or date as Huarui may decide, subject to the rules of the Takeovers Code) in respect of such number of Shares which would result in Huarui and Huarui Concert Parties collectively holding more than 50% of the voting rights of the Company.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

Subject to the Huarui Offer becoming unconditional and satisfaction of the requirements under the Companies Ordinance and the Takeovers Code, if Huarui acquires not less than 90% of the Huarui Offer Shares (as required by Section 693 of the Companies Ordinance) and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, Huarui intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares not acquired by Huarui under the Huarui Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be held as to 100% by Huarui and Huarui Concert Parties and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with Rule 6.15(1) of the Listing Rules.

Whilst it is the intention of Huarui to privatise the Company, Huarui's ability to exercise rights of compulsory acquisition in respect of the Huarui Offer Shares is dependent on the level of acceptance of the Huarui Offer and acquisitions 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 Huarui Offer Shares validly tendered for acceptance under the Huarui Offer and otherwise acquired are less than 90% of the Huarui Offer Shares or less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, the Shares will remain listed on the Main Board of the Stock Exchange.

The Huarui Offer Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cheng Yuk Wo (“**Mr. Cheng**”), Mr. Pun Tit Shan and Mr. Chen Jihua, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Disinterested Shareholders as to whether the terms of the Huarui Offer are fair and reasonable and as to the acceptance of the Huarui Offer. As stated in the 3.5 Announcement, taking into account that Mr. Zhou Yuan and Mr. Shen Tao (both are non-executive Directors) are directors of Huarui and Huarui Parent and 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 COFCO Irrevocable Undertaking to Champion in relation to the Champion Offer, each of Mr. Zhou Yuan, Mr. Shen Tao, Dr. Zhao Wei and Mr. Meng Fanjie is not considered as independent for the purpose of giving advice or recommendations to the Disinterested Shareholders despite China Foods is not acting in concert with Huarui and Champion. Mr. Cheng is also an independent non-executive director of Somerley Capital Holdings Limited (stock code: 8439), the holding company of Somerley Capital Limited. In accordance with Rule 2.1 of the Takeovers Code, the Independent Board Committee (with Mr. Cheng abstaining) has approved our appointment as the independent financial adviser to the Independent Board Committee.

We are not associated or connected with the Company, or Huarui, or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Huarui Offer. Apart from normal professional fees payable to us in connection with this appointment and the appointment to advise the independent board committee of the Company in connection with the Champion Offer as set out in the response document of the Company dated 13 August 2024, no arrangement exists whereby we will receive any fees or benefits from the Company, or the Huarui, or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group, which we have assumed to be true, accurate and complete in all material aspects. We have reviewed, among other things, (i) the annual reports of the Company for the year ended 31 December 2022 (“FY2022”) (the “2022 Annual Report”) and year ended 31 December 2023 (“FY2023”) (the “2023 Annual Report”, together with the 2022 Annual Report, the “Annual Reports”), (ii) the interim report of the Company for the six months ended 30 June 2024 (“IH2024”) (the “2024 Interim Report”), (iii) the trading performance of the Shares on the Stock Exchange, (iv) the joint announcement of Huarui and the Company dated 13 December 2024 in relation to, among others, the updates on fulfilment of all pre-conditions of the Huarui Offer, and (v) other information contained in the Huarui Offer Document. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We consider that the information we have received is sufficient for us to reach our opinion and give our advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, Huarui or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Huarui Offer Document in which this letter forms a part were true at the time they were made at the date of the Huarui Offer Document, and Shareholders will be informed of any future material change (including but not limited to our advice, opinion or recommendation set out in this letter) as soon as possible.

We have not considered the tax and regulatory implications on Disinterested Shareholders of acceptance or non-acceptance of the Huarui Offer, since these depend on their individual circumstances. In particular, Disinterested Shareholders who are residents overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

PRINCIPAL TERMS OF THE HUARUI OFFER

The Huarui Offer

The Huarui Offer is being made by CSCI for and on behalf of Huarui on the following basis:

For each Huarui Offer Share HK\$7.21 in cash

If any dividend, other distribution or return of capital (whether in cash or in kind), declared, made or paid in respect of the Shares after the date of the Huarui Offer Document, Huarui reserves the right to reduce the Huarui Offer Price by all or any part of the amount or value of such dividend, other distribution or return of capital, in which case any reference in the Huarui Offer or any other announcement or document to the Huarui Offer Price will be deemed to be a reference to the Huarui Offer Price as so reduced. As at the Latest Practicable Date, no dividend, other distribution or return of capital in respect of the Shares has been announced, declared or made but not paid and the Company does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of Huarui Offer.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

Huarui reserves the right to revise the terms of the Huarui Offer in accordance with the Takeovers Code.

The Huarui Offer will be made in compliance with the Takeovers Code. The Shares to be acquired under the Huarui Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, pre-emptive rights and any other third-party rights of any nature and together with all rights attaching to them or subsequently becoming attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the Huarui Offer Closing Date.

Value of the Huarui Offer and confirmation of financial resources

As at the Latest Practicable Date, there were 1,113,423,000 Shares in issue. On the basis of the Huarui Offer Price of HK\$7.21 per Huarui Offer Share, the entire issued share capital of the Company is valued at HK\$8,027,779,830. Save for 269,341,200 Shares held by ORG Development, 2,326,000 Shares held by Hubei ORG and 403,000 Shares held by CSCI Investment, neither Huarui nor any of the Huarui Concert Parties held any Shares. 841,352,800 Shares in issue will be subject to the Huarui Offer and the aggregate amount payable by Huarui under the Huarui Offer will be approximately HK\$6,066,153,688 on the assumption that the Huarui Offer is accepted in full and there is no change in the number of issued Shares from the Latest Practicable Date up to the close of the Huarui Offer.

As disclosed in the letter from CSCI, Huarui intends to finance the consideration payable under the Huarui Offer by external financing from Shanghai Pudong Development Bank Co., Ltd acting through its Hong Kong Branch. Huarui has entered into the Share Charge to secure repayment of such external financing. As stated in the letter from CSCI, Huarui does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) thereunder will depend to any significant extent on the business of the Company.

CSCI, the financial adviser to Huarui, is satisfied that sufficient financial resources are available to Huarui to satisfy its payment obligations on full acceptance of the Huarui Offer in accordance with its terms.

Irrevocable Undertaking

On 6 June 2024, Mr. Zhang Wei (who holds 245,080,000 Shares, representing approximately 22.01% of the issued Shares as at the Latest Practicable Date) and Huarui entered into the Irrevocable Undertaking, pursuant to which, among other things, Mr. Zhang Wei has unconditionally and irrevocably agreed and undertaken to accept the Huarui Offer in respect of the Relevant Shares prior to the last acceptance date of the Huarui Offer, and Mr. Zhang Wei has undertaken not to withdraw such acceptance.

The Irrevocable Undertaking will be terminated immediately upon (i) the Huarui Offer having lapsed, been withdrawn or closed, (ii) the Pre-Conditions not having been satisfied on or before the Pre-Conditions Long Stop Date, (iii) if any person (other than Huarui) makes an offer to acquire the Shares at an offer price higher than the Huarui Offer Price, (iv) Huarui fails to complete the acquisition of the Relevant Shares within 6 months from the date of the Irrevocable Undertaking, or (v) the written consent of Huarui and Mr. Zhang Wei, whichever is earlier. The Irrevocable Undertaking has lapsed on 6 December 2024 given Huarui has not completed the acquisition of the Relevant Shares within 6 months from the date of the Irrevocable Undertaking.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

Conditions to the Huarui Offer

The Huarui Offer is subject to the fulfilment of the following Conditions:

- (a) valid acceptances of the Huarui Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Huarui Offer Closing Date (or such later time and/or date as Huarui may decide, subject to the rules of the Takeovers Code) in respect of such number of Shares which would result in Huarui and Huarui Concert Parties collectively holding more than 50% of the voting rights of the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) save for any temporary suspension(s) or halt(s) of trading in the Shares for not more than ten(10) consecutive Business Days or suspension or halt(s) of trading in the Shares as a result of the Huarui Offer and no indication having been received on or before the Huarui Offer Closing Date (or, if earlier, the Huarui Offer Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either the Huarui Offer or anything done or caused by or on behalf of Huarui or the Huarui Concert Parties;
- (c) no event having occurred or already existing (including any law, order, action, proceeding, suit or investigation instituted or taken by the Relevant Authorities) which would make the Huarui Offer or the acquisition of any of the Shares void, unenforceable, illegal, impracticable or would prohibit implementation of the Huarui Offer or impose any material and adverse conditions or obligations with respect to the Huarui Offer;
- (d) since the date of the 3.5 Announcement, there having been no material adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Huarui Offer); and
- (e) all necessary consents in connection with the Huarui Offer and/or (in the event that Huarui was to exercise the right to acquire compulsorily those Huarui Offer Shares not already owned or acquired by Huarui under the Huarui Offer) the possible withdrawal of the listing of the Shares from the Stock Exchange which may be required under any existing contractual or other obligations of the Group, joint ventures and controlled corporations of the Company having been obtained and remaining in effect.

As at the Latest Practicable Date and based on information available to Huarui, Huarui is not aware of any applicable consents which are required under Condition (e).

Other than Condition (a), Huarui 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, Huarui may only invoke any of the Conditions, other than Condition (a) which is an acceptance condition, as a basis for not proceeding with the Huarui Offer if the circumstances which give rise to the right to invoke any of the Conditions are of material significance to Huarui in the context of the Huarui Offer.

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If any of the Conditions is not satisfied or waived (as applicable) on or before the Conditions Long Stop Date, the Huarui Offer will lapse, and Shareholders will be notified by a further announcement as soon as practicable thereafter. As at the Latest Practicable Date, none of the Conditions has been satisfied and/or waived.

Pursuant to Rule 15.3 of the Takeovers Code, Huarui must publish an announcement when the Huarui Offer becomes unconditional as to acceptances and when the Huarui Offer becomes unconditional in all respects. The Huarui Offer must also remain open for acceptance for not less than 14 days after it becomes or is declared unconditional (whether as to acceptances or in all respects). Shareholders are reminded that Huarui does not have any obligation to keep the Huarui Offer open for acceptance beyond this 14-day period.

WARNING: COMPLETION OF THE HUARUI OFFER IS SUBJECT TO THE CONDITIONS BEING FULFILLED OR WAIVED (AS APPLICABLE). THE ISSUE OF THE HUARUI OFFER DOCUMENT DOES NOT IN ANY WAY IMPLY THAT THE HUARUI OFFER WILL BE COMPLETED. THE HUARUI OFFER, MAY OR MAY NOT BECOME UNCONDITIONAL AND WILL LAPSE IF IT DOES NOT BECOME UNCONDITIONAL. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Huarui Offer, we have taken into account the following principal factors and reasons:

1. Information on the Group

1.1 Background information of the Group

The Company 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.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

1.2 Financial information of the Group

(i) Financial performance

Set out below is a summary of the Group's consolidated financial performance for the three years ended 31 December 2021 ("FY2021"), FY2022 and FY2023 and the six months ended 30 June 2023 ("1H2023") and 1H2024 respectively, as extracted from the Annual Reports and 2024 Interim Report:

	1H2024	1H2023	FY2023	FY2022	FY2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue	5,547,547	5,293,583	10,265,310	10,255,225	9,566,382
Cost of sales	(4,655,466)	(4,499,302)	(8,660,013)	(8,973,085)	(8,236,171)
Gross profit	892,081	794,281	1,605,297	1,282,140	1,330,211
Other income, gains and losses	14,042	57,335	105,070	224,853	142,245
Selling and marketing expenses	(205,032)	(196,748)	(392,930)	(393,955)	(409,853)
Administrative expenses	(228,017)	(219,390)	(455,147)	(431,206)	(431,922)
Finance costs	(140,952)	(101,356)	(238,489)	(87,717)	(65,590)
Share of results of joint ventures	2,225	1,334	2,491	1,978	1,568
Profit before income tax	334,347	335,456	626,292	596,093	566,659
Income tax expense	(59,604)	(63,888)	(140,814)	(111,415)	(93,200)
Profit for the period/year	274,743	271,568	485,478	484,678	473,459
Attributable to:					
Equity holders of the Company	266,930	273,269	474,760	486,512	462,498
Non-controlling interests	7,813	(1,701)	10,718	(1,834)	10,961

As shown above, total revenue of the Group has shown slow but stable growth during the three years ended 31 December 2023, and the products of the Group mainly include aluminum packaging, tinsplate packaging and plastic packaging. As disclosed in the Annual Reports, the Company reported increases in revenue by approximately 7.2% from approximately RMB 9,566.4 million in FY2021 to RMB10,255.2 million in FY2022. The increase in revenue was mainly due to the growth in sales revenue from aluminum packaging products in FY2022 by 20.3% as compared to FY2021. The revenue slightly increases by 0.1% to approximately RMB10,265.3 million in FY2023. For 1H2024, the total revenue of the Group has increased by approximately 4.8% from approximately RMB5,293.6 million in 1H2023 to approximately RMB5,547.5 million in 1H2024, mainly due to the increment of sales revenue from the Group's tinsplate packaging business.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

Gross profit of the Group decreased by approximately 3.6% in FY2022 from approximately RMB1,330.2 million in FY2021 to approximately RMB1,282.1 million in FY2022, with a gross margin of around 12.5% in FY2022. As disclosed in the 2022 Annual Report, the Group was impacted by higher raw material costs during FY2022. Gross profit of the Group increased by approximately 25.2% to approximately HK\$1,605.3 million in FY2023 with a gross margin of around 15.6%. This was mainly attributable to the impact of technology cost reduction and the prices of raw material dropped. The gross profit margin in 1H2024 was approximately 16.1%, representing a slight increase from approximately 15.0% gross margin in 1H2023, which was mainly due to the impact of reducing unit costs due to scale growth and cost reduction and efficiency improvement.

Profit for the year attributable to equity holders of the Company was approximately RMB486.5 million in FY2022 as compared to approximately RMB462.5 million in FY2021, representing an increase of approximately 5.2%. Such increase was mainly a result of (i) higher revenue reported for FY2022 as mentioned above; and (ii) increase in other income, gains and losses by approximately 58.2% to approximately RMB224.9 million in FY2022 due to gain on disposal of a subsidiary.

Profit for the year attributable to equity holders of the Company for FY2023 was slightly reduced to approximately RMB474.8 million, representing a decrease of approximately 2.4%. Despite there was a significant improvement on the gross profit in FY2023, the increase was partially offset by (i) the increase of finance costs due to the increase in integrated financing interest rate; and (ii) the decrease of other income, gains and losses due to absence of committed dividend income from a former joint venture and gain on disposal of a subsidiary in FY2022.

Profit for the period attributable to equity holders of the Company for 1H2024 was approximately RMB266.9 million, as compared to approximately RMB273.3 million in 1H2023, representing a decrease of approximately 2.3%. Such decrease was mainly a result of (i) the decrease of government grants recognised in 1H2024, and (ii) higher finance cost due to the increase in foreign exchange rates and comprehensive financing costs, partially offset by the increase of gross profit as mentioned above and decrease of income tax expense.

The Company paid total dividends per Share of RMB0.207 for FY2021 and RMB0.218 for FY2022 respectively. The Company declared an interim dividend of RMB0.122 per Share for the six months ended 30 June 2023 and resolved not to declare final dividend for FY2023 nor interim dividend for 1H2024.

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(ii) *Financial position*

Set out below are the summarised consolidated balance sheets of the Group as at 31 December 2022 and 31 December 2023 and 30 June 2024 as extracted from the 2023 Annual Report and the 2024 Interim Report:

	As at 30 June 2024	As at 31 December 2023	As at 31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)	(Audited)
Non-current assets			
Property, plant and equipment	5,859,276	5,972,123	5,730,086
Right-of-use assets	419,055	423,432	420,458
Goodwill	233,973	233,973	233,973
Other intangible assets	18,309	19,646	20,270
Interests in joint ventures	101,740	51,011	20,917
Deposits for purchase of items of property, plant and equipment	43,702	93,179	189,129
Prepayments	40,176	43,572	44,299
Deferred tax assets	21,019	24,643	24,811
	<u>6,737,250</u>	<u>6,861,579</u>	<u>6,683,943</u>
Current assets			
Inventories	1,500,091	1,728,040	1,770,419
Trade and bills receivables	3,496,247	2,819,521	2,738,201
Prepayments, other receivables and other assets	381,438	375,176	386,109
Tax recoverable	346	987	24
Pledged deposits and restricted deposit	36,394	65,719	115,743
Cash and cash equivalents	2,232,579	2,391,737	2,380,067
	<u>7,647,095</u>	<u>7,381,180</u>	<u>7,390,563</u>
Total assets	14,384,345	14,242,759	14,074,506

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	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Current liabilities			
Trade and bills payables	2,535,390	2,300,044	2,422,478
Other payables and accruals	370,221	509,763	504,894
Lease liabilities	14,955	13,084	12,002
Interest-bearing bank borrowings	4,864,694	5,033,996	3,824,249
Tax payable	40,606	48,825	64,770
	7,825,866	7,905,712	6,828,393
Net current (liabilities)/assets	(178,771)	(524,532)	562,170
Non-current liabilities			
Government grants	15,756	16,574	13,604
Interest-bearing bank borrowings	225,360	246,665	1,387,199
Lease liabilities	76,941	74,348	64,852
Deferred tax liabilities	76,989	71,568	52,056
	395,046	409,155	1,517,711
Total liabilities	8,220,912	8,314,867	8,346,104
Net assets	6,163,433	5,927,892	5,728,402
EQUITY			
Equity attributable to equity holders			
Share capital	2,730,433	2,730,433	2,730,433
Reserves	3,054,234	2,824,793	2,648,311
	5,784,667	5,555,226	5,378,744
Non-controlling interests	378,766	372,666	349,658
Total equity	6,163,433	5,927,892	5,728,402

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Total non-current assets of the Group were mainly comprised of property, plant and equipment which are currently occupied and/or used for daily business operations and represented around 85.7%, 87.0% and 87.0% of the total non-current assets as of 31 December 2022, 31 December 2023 and 30 June 2024 respectively. Total non-current assets of the Group as at 30 June 2024 remained largely similar as that of 31 December 2023.

Total current assets of the Group were mainly comprised of inventories, trade and bills receivables and cash and cash equivalents as of 31 December 2022, 31 December 2023 and 30 June 2024. Total current assets of the Group as at 31 December 2023 amounted to approximately RMB7,381.2 million, which remained relatively steady compared to the total current assets of the Group as at 31 December 2022 amounted to approximately RMB7,390.6 million. Total current assets of the Group as at 30 June 2024 amounted to approximately RMB7,647.1 million, represented an increase of approximately 3.6% compared to the total current assets as at 31 December 2023, which was mainly due to the increase of trade and bills receivables of approximately RMB676.7 million.

Total current liabilities of the Group mainly comprised trade and bills payables and interest-bearing bank borrowings as of 31 December 2022, 31 December 2023 and 30 June 2024. Total current liabilities of the Group as at 31 December 2023 increased by approximately 15.8% as compared with that of 31 December 2022 mainly attributable to, among others, the increase of short-term interest-bearing bank borrowings from approximately RMB3,824.2 million as at 31 December 2022 to approximately RMB5,034.0 million as at 31 December 2023. Total current liabilities of the Group as at 30 June 2024 amounted to approximately RMB7,825.9 million, remained largely similar as that of 31 December 2023. Consequently, the Group recorded net current liabilities of approximately RMB524.5 million and approximately RMB178.8 million as at 31 December 2023 and 30 June 2024 respectively. As stated in the 2023 Annual Report and 2024 Interim Report, the Group had sufficient undrawn borrowing facilities of not less than RMB2 billion, subject to certain conditions, and the Group may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable.

Total non-current liabilities of the Group mainly comprised long-term interest-bearing bank borrowings as at 31 December 2022, 31 December 2023 and 30 June 2024. Total non-current liabilities of the Group as at 31 December 2023 decreased by approximately 73.0% as compared to 31 December 2022 mainly due to decreases in long-term bank borrowing by around 82.2% from approximately RMB1,387.2 million as at 31 December 2022 to approximately RMB246.7 million as at 31 December 2023, mainly as a result of the reclassification of such borrowings to current liabilities. Total non-current liabilities of the Group as at 30 June 2024 amounted to approximately RMB395.0 million, remained largely similar as that of 31 December 2023.

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Gearing ratio (calculated as net borrowings divided by equity attributable to equity holders of the Company, in which the net borrowings are calculated as total borrowings less cash and cash equivalents) of the Group was approximately 52.0% as at 31 December 2023 and approximately 52.6% as at 31 December 2022, which demonstrated a relatively stable debt level of the Group during the two years. The gearing ratios of the Company has slightly decreased to approximately 49.4% as at 30 June 2024.

Total equity attributable to the Company's equity holders as at 31 December 2022, 31 December 2023 and 30 June 2024 was approximately RMB5,378.7 million, RMB5,555.2 million and RMB5,784.7 million respectively.

Based on 1,113,423,000 issued Shares as at the Latest Practicable Date, the net asset value attributable to equity holders of the Company per Share as at 30 June 2024 was approximately RMB5.20 per Share (equivalent to approximately HK\$5.69 per Share) as at 30 June 2024. The Huarui Offer Price of HK\$7.21 represents a premium of approximately 26.7% to the net asset value attributable to equity holders of the Company per Share as at 30 June 2024.

2. Information on Huarui

Huarui is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holdings activities.

As at the Latest Practicable Date, Huarui is indirectly wholly owned by Huarui Consulting which in turn is wholly owned by View Harmony Packaging which is owned as to 95.83% by Huarui Parent and 4.17% by Suzhou SLAC.

Huarui Parent is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 002701). The single largest shareholder of Huarui Parent is Yuanlong Holdings which holds approximately 32.84% of the issued shares of Huarui Parent. Mr. Zhou is the beneficial owner of 78% equity interests in Yuanlong Holdings. In addition to Yuanlong Holdings, Mr. Zhou is also the beneficial owner of 80% equity interests in several companies which collectively hold approximately 0.70% of the total issued shares of Huarui Parent. Huarui Parent is a comprehensive packaging solution provider with a focus on brand planning, packaging design and manufacturing, filling services, and information-assisted marketing.

3. Prospects of the Group

As discussed above under the section headed “1.1 Background information of the Group”, principal activities of the Group are the manufacture and sales of packaging products for consumer goods such as food, beverages and household chemical products in the PRC. The Group has established a solid customer base, including domestically and internationally renowned enterprises in the high-end customer good industry, including but not limited to Coca-Cola, Tsingtao Brewery, Sinochem Group, Feihe, Mengniu, Unilever. As mentioned in the 2024 Interim Report, in 1H2024, the Ministry of Commerce deployed a series of activities to promote stable growth in consumption under the “Consumption-Promoting Year (消費促進年)”, and the implementation of new policies has injected new vitality into the economic growth and facilitated the steady recovery of the consumer market in general. According to website of the Ministry of Commerce of the People’s Republic of China, cities such as Chengdu, Chongqing, Guangxi, Guangzhou, Yangzhou, and Harbin have hosted various activities throughout the 2024 Consumption-Promoting Year. Additionally, in August 2024, the State Council of the People’s Republic of China issued the “Opinions on Promoting High-Quality Development of Service Consumption” (關於促進服務消費高質量發展的意見), which provides a comprehensive framework for advancing service consumption. It outlines 20 key tasks across six areas: tapping into the potential of basic consumption, stimulating improved consumption, nurturing new types of consumption, enhancing service consumption momentum, optimizing the service consumption environment, and strengthening policy support. These initiatives aim to foster the high-quality development of critical service sectors, including dining, accommodation, domestic services, and elder care. However, in the face of the complex and volatile external environment, the weak momentum of the global economic growth, the frequently-occurred geopolitical conflicts, the international trade frictions and other issues, there are still a lot of uncertainties in the second half of 2024 and 2025 which may constrain the development of the industry.

As discussed under the section headed “1.2 Financial information of the Group” above, the total revenue of the Group has shown some growth during the three years ended 31 December 2023 and 1H2024, and the net profits of the Group have also remained relatively stable, with approximately RMB473.5 million recorded in FY2021, approximately RMB484.7 million recorded in FY2022, and approximately RMB485.5 million recorded in FY2023. For 1H2024, the Group achieved a total revenue of approximately RMB5,547.5 million as compared to that of approximately RMB5,293.6 million in 1H2023. However, future business development and prospects of the Group are still subject to uncertainties associated with macroeconomic environment and factors surrounding, including but not limited to, (i) the economic outlook in the PRC amid various ongoing regional geopolitical and trade conflicts, affecting the overall business and commercial sentiment as well as consumer spending confidence domestically and globally, potentially hindering the Group’s ability to secure new contracts and maintain existing customer relationships, thereby limiting revenue growth; and (ii) the current high interest rates environment which would increase the borrowing costs for the Group for its working capital needs and that whether and when the lowering of interest rates would materialise, affecting the Group’s financial flexibility and capacity to invest in growth initiatives, potentially limiting its competitive edge in the market. As such, we are of the view that the outlook for the Group would still be challenging and be highly dependent on its ability in, amongst others, responding and adapting to changes in the uncertain regional and global economic conditions.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

4. Intentions of Huarui with regard to the Group

As stated in the letter from CSCI of the Huarui Offer Document, upon completion of the Huarui Offer, the Company will become a subsidiary of Huarui Parent which is listed on the Shenzhen Stock Exchange. It is the intention of Huarui to explore synergistic effect between the Huarui Group and the Group through standardization and consolidation of the systems and management between Huarui Parent and the Group. It is disclosed in the letter from CSCI that, through the Huarui Offer, Huarui Parent and the Company can leverage their respective resources and advantages to jointly explore the market, cultivate domestic and overseas operations and production bases, thereby further expanding the global industrial chain, value chain and logistics chain, further enhancing the domestic and international market influence of Huarui Parent, and contributing to the creation of a national brand in metal packaging. Huarui Parent will also further consolidate its main business of two-piece cans, three-piece beverage and milk powder cans, and further enrich its domestic product lines of steel barrels, aerosol cans, and plastic packaging cultivating new profit growth points. In addition, it is further disclosed in the letter from CSCI that Huarui Parent will achieve complementary advantages with the Company in multiple dimensions such as technology, marketing, production capacity, and supply chain, serving customers with different needs with differentiated positioning, thereby further expanding strategic customers, reducing dependence on single customers, and promoting sustainable development.

Although it is the intention of Huarui to explore possible synergistic effect, the Shareholders should note the risk which has been disclosed in the MAR Report and the letter from CSCI that, including but not limited to, there will be a certain degree of uncertainty as to whether the Huarui Group and the Group could successfully exert synergy after the completion of the Huarui Offer given there are a large amount of assets involved in the material assets restructuring and the intense competition in the metal packaging market. As disclosed in the letter from CSCI, in order to maximise the synergies of the Huarui Offer, from the perspective of the Huarui Parent's operation and resources allocation, Huarui Parent and the Company still need to carry out further integration in terms of financial management, resource management, business expansion, corporate culture, etc., which has put forward higher requirements on Huarui Parent's operation and management capabilities. If there is a loss of management personnel of the Company in the future and Huarui Parent is unable to establish a management team for the management of the Company, it may not be possible to smoothly integrate the Company into the overall business system, therefore, there is a risk that the integration plan of the Huarui Offer may not be successfully implemented or the effect of the integration may not be achieved as expected. Shareholders and potential investors are reminded to pay attention to such risk. Shareholders are advised to read carefully the full information as regard the intentions of Huarui towards the Group as disclosed in the letter from CSCI and the MAR Report.

As at the Latest Practicable Date, Huarui has no intention to discontinue the employment of any employees of the Group other than staff movements in the ordinary and usual course of business. As stated in the letter from CSCI, Huarui will continue to consider how to develop the Group in a manner which best enhances efficiency and shareholder value and, in that regard, will consider reviewing and optimising its assets structure which will be dependent on a number of factors including market conditions, legal and regulatory requirements and its business needs.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

If Huarui acquires not less than 90% of the Huarui Offer Shares (as required by Section 693 of the Companies Ordinance) and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, Huarui intends to privatise the Company by exercising the compulsory acquisition rights to which it is entitled under Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares not acquired by Huarui under the Huarui Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be held as to 100% by Huarui and Huarui Concert Parties and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange in accordance Rule 6.15(1) of the Listing Rules.

Whilst it is the intention of Huarui to privatise the Company, Huarui's ability to exercise rights of compulsory acquisition in respect of the Huarui Offer Shares is dependent on the level of acceptance of the Huarui Offer and acquisitions 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 Huarui Offer Shares validly tendered for acceptance under the Huarui Offer and otherwise acquired are less than 90% of the Huarui Offer Shares or less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, the Shares will remain listed on the Main Board of the Stock Exchange.

Due to successive on-market acquisitions by one of the Shareholders, Mr. Zhang Wei, the public float of the Company 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 Latest Practicable Date, the public float of the Company is approximately 23.02%.

As described above, Huarui proposes to take private the Company, subject to the satisfaction of the requirements as set out above for the withdrawal of listing. In the event that the withdrawal of listing fails and the public float of the Company remains to fall below 25% following the close of the Huarui Offer, the directors of the Huarui and the new directors to be appointed to the Board will jointly and severally 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 Huarui Offer.

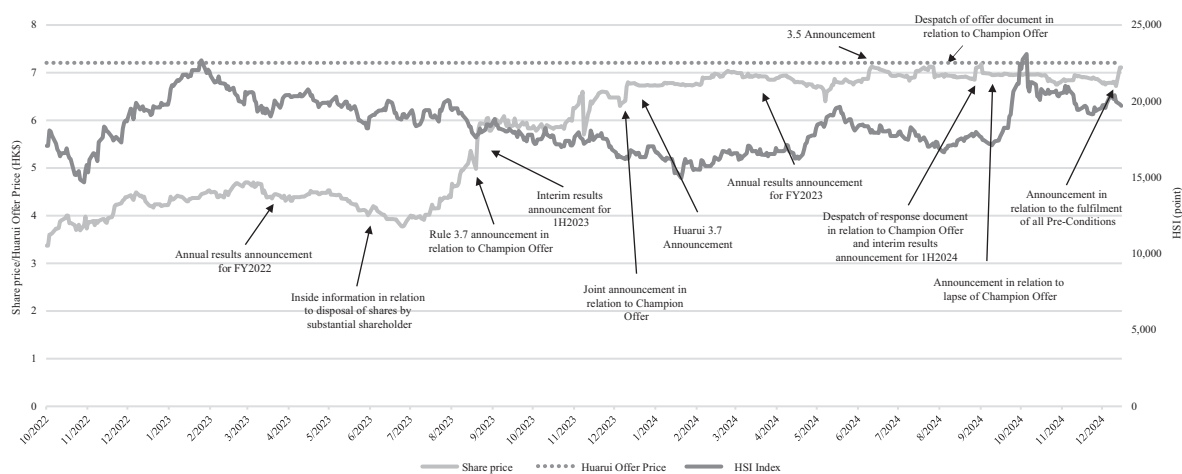
In the event Huarui exercises its power of compulsory acquisition, further announcements will be published by the Company in accordance with the Listing Rules, amongst other things, the expected date that the trading of the Company's shares will be suspended.

If, upon closing of the Huarui Offer, less than 25% of the issued Shares (excluding treasury shares), being the minimum public float applicable to the Company, 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 the public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend trading in the Shares.

5. Analysis of price performance and trading liquidity

5.1 Price performance of the Shares

Set out below is the movement of the closing prices of the Shares during the period from 3 October 2022 to the Latest Practicable Date (the “**Review Period**”), and the announcements of the Company relating to certain corporate events that took place during the Review Period. We consider the Review Period, which covers a period of more than 24 months, represents a sufficient period of time to provide a general overview on the recent market performance of the Shares for the purpose of this analysis.



Source: Bloomberg and the Stock Exchange

The closing prices of the Shares ranged from HK\$3.37 to HK\$7.04 per Share during the period between 3 October 2022 and 7 June 2024, being the Last Trading Date (both dates inclusive, the “**Pre-announcement Period**”), with an average closing price of around HK\$5.35 per Share. The closing prices of the Shares were below the Huarui Offer Price of HK\$7.21 for the entire Pre-announcement Period.

For the period between 3 October 2022 and 11 December 2023, being the last trading date prior to the publication of the Huarui 3.7 Announcement (both dates inclusive, the “**Pre-3.7 Announcement Period**”), the closing price per Share ranged from HK\$3.37 to HK\$6.60 per Share with an average of around HK\$4.74 per Share.

As shown in the chart above, we note that Share demonstrated a gradual upward trend in the period from October 2022 to March 2023 with fluctuations ranged from HK\$3.37 per Share to HK\$4.70 per Share. During such period, we note that the Company published its annual results announcement of the Company for FY2022 and its Share closing prices decreased slightly by approximately 0.91% from HK\$4.40 per Share on 20 March 2023 to HK\$4.36 per Share on 21 March 2023.

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From April 2023 to May 2023, the Share closing prices fluctuated within a tight range of HK\$4.08 per Share to HK\$4.53 per Share. On 2 June 2023 (after trading hours), the Company published an inside information announcement in relation to a possible disposal of Shares by COFCO, a substantial shareholder of the Company. The Share closing prices increased by approximately 3.70% to HK\$4.20 on 5 June 2023 following the aforesaid announcement. Since then and up to 16 August 2023, being the trading date immediately prior to the date of the publication of the announcement pursuant to Rule 3.7 of the Takeovers Code in relation to the Champion Offer (“**Champion 3.7 Announcement**”), the Share closing prices led a remarkable upward trend and reached HK\$5.20 per Share on 16 August 2023. In this regard, we have discussed with management of the Group and they are not aware of any particular reasons that led to the upward trend of the Share closing prices during such period. Shareholders should note that, during the period between 3 October 2022 and 16 August 2023 being the full trading day prior to the publication of the Champion 3.7 Announcement (the “**Undisturbed Period**”), the closing price per Share ranged from HK\$3.37 to HK\$5.20 per Share with an average of around HK\$4.26 per Share.

On 17 August 2023, the Company published the Champion 3.7 Announcement at noon and the Share price has reacted positively and closed at HK\$5.36 on the same day, representing an increase of around 3.08% from the closing price of HK\$5.20 on 16 August 2023. Since then the Share closing price led an overall upward trend to reach HK\$6.09 per Share on 11 September 2023. During such period, we noted that the Share closing prices increased significantly from HK\$4.98 per Share on 21 August 2023 to HK\$5.56 per Share on 22 August 2023. We have discussed with management of the Group and save for the publication of the interim results announcement for 1H2023 on 22 August 2023, they are not aware of other particular reason that led to the significant fluctuation of the Share closing prices during such period.

Share closing prices fluctuated within a tight range between HK\$5.78 and HK\$6.09 per Share during September and October 2023. Since late October 2023, save for the sudden drop in the closing price per Share from HK\$6.60 on 9 November 2023 to HK\$5.70 on 10 November 2023 for which the Company are not aware of any particular reason for the drop, the closing price per Share led another increasing trend from HK\$5.82 per Share on 26 October 2023 to reach HK\$6.60 per Share on 23 and 24 November 2023. Share closing price then slightly went down and closed at HK\$6.48 per Share on 29 November 2023, being the last trading day immediately prior to the publication of announcement pursuant to Rule 3.5 of the Takeovers Code in relation to the Champion Offer (“**Champion 3.5 Announcement**”). Trading in the Shares was suspended from 30 November 2023 pending the release of the Champion 3.5 Announcement. Following the publication of the Champion 3.5 Announcement after trading hours on 6 December 2023, the Share closing prices decreased to HK\$6.30 per Share on 7 December 2023, down by around 2.78%.

On 12 December 2023 (before trading hours), the Company published the Huarui 3.7 Announcement which stated that ORG Development (an indirectly wholly-owned subsidiary of Huarui Parent) has interest in pursuing a possible voluntary conditional to acquire the Shares (other than those already owned by or to be acquired by it and parties acting in concert with it), the Share closing prices increased by around 4.68% to reach HK\$6.71 per Share on the same day.

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Since then, the Shares have traded from time to time above the offer price of HK\$6.87 under the Champion Offer and Share closing price fluctuated in a range between HK\$6.40 and HK\$7.04 from 13 December 2023 to 7 June 2024. On 20 March 2024, the Company published its annual results announcement for FY2023 and there was no material fluctuation on the Share price. On 7 June 2024 (after trading hour), the Company and Huarui jointly published the 3.5 Announcement and the Share closing prices remained the same on the next trading day and closed at HK\$6.87 per Share on 10 June 2024. From 11 June 2024 to 15 July 2024, the closing price of the Shares fluctuated between the range of HK\$6.83 to HK\$7.13 per Share. From 16 July 2024 to 29 July 2024, the closing price of the Share fluctuated between a range of HK\$7.03 to HK\$7.13 per Share. On 30 July 2024 (before trading hour), the offer document in relation to the Champion Offer has been despatched and the Share price closed at HK\$6.9 per Share on 30 July 2024, representing a decrease of approximately 3.09% from the closing price of HK\$7.12 per Share on the prior day. During the period from 31 July 2024 to 3 September 2024, the closing price of the Shares fluctuated between HK\$6.85 to HK\$7.18 per Share. During such period, the Company published the response document in relation to the Champion Offer on 13 August 2024 (before trading hours) and its Share closing prices decreased slightly by approximately 0.29% from HK\$6.93 per Share on 12 August 2024 to HK\$6.91 per Share on 13 August 2024. On 3 September 2024 (after trading hour), the Company published the announcement in relation to, among others, the lapse of the Champion Offer. The Share price decreased by approximately 2.65% and closed at HK\$6.99 per Share on 4 September 2024.

Since then, the closing price of the Share fluctuated between the range of HK\$6.72 to HK\$6.99 per Share from 5 September 2024 to 13 December 2024.

On 13 December 2024, after trading hours, Huarui and the Company jointly announced that the Pre-Conditions had been satisfied and the Share closing price increased from HK\$6.72 on 13 December 2024 to HK\$7.11 per Share on 16 December 2024, being the next trading day. The Share closing price as at Latest Practicable Date was HK\$7.11.

The Huarui Offer Price of HK\$7.21 per Share represents:

- (a) a premium approximately 1.4% over the closing price as quoted on the Stock Exchange on the Latest Practicable Date of HK\$7.11 per Share;
- (b) a premium of approximately 38.7% over the closing price of HK\$5.20 per Share as quoted on the Stock Exchange on 16 August 2023, the last trading day prior to the publication of the Champion 3.7 Announcement, being the commencement of the Offer Period;
- (c) a premium of approximately 42.8% over the average closing price of approximately HK\$5.05 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the last trading day prior to the publication of the Champion 3.7 Announcement;
- (d) a premium of approximately 48.0% over the average closing price of approximately HK\$4.87 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the last trading day prior to the publication of the Champion 3.7 Announcement;

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- (e) a premium of approximately 64.2% over the average closing price of approximately HK\$4.39 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the last trading day prior to the publication of the Champion 3.7 Announcement;
- (f) a premium of approximately 71.7% over the average closing price of approximately HK\$4.20 per Share as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the last trading day prior to the publication of the Champion 3.7 Announcement;
- (g) a premium of approximately 12.5% over the closing price of HK\$6.41 per Share as quoted on the Stock Exchange on the last trading day prior to the publication of the Huarui 3.7 Announcement;
- (h) a premium of approximately 4.9% over the closing price of HK\$6.87 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (i) a premium of approximately 6.8% over the average closing price of approximately HK\$6.75 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date;
- (j) a premium of approximately 5.7% over the average closing price of approximately HK\$6.82 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date;
- (k) a premium of approximately 5.8% over the average closing price of approximately HK\$6.81 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date;
- (l) a premium of approximately 31.0% over the consolidated net asset value attributable to owners of the Company per Share of approximately RMB4.99 (equivalent to approximately HK\$5.51) as at 31 December 2023, calculated based on (i) the Group's consolidated net assets attributable to owners of the Company of approximately RMB 5,555,226,000 as at 31 December 2023 as disclosed in the annual report of the Company published on 18 April 2024; (ii) 1,113,423,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of HK\$1:RMB0.90622, being the median exchange rate on 29 December 2023 as announced by the People's Bank of China; and
- (m) a premium of approximately 26.7% over the consolidated net asset value attributable to owners of the Company per Share of approximately RMB5.20 (equivalent to approximately HK\$5.69) as at 30 June 2024, calculated based on (i) the Group's unaudited consolidated net assets attributable to owners of the Company of approximately RMB 5,784,667,000 as at 30 June 2024 as disclosed in the interim report of the Company published on 19 August 2024; (ii) 1,113,423,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of HK\$1:RMB0.91268, being the median exchange rate on 28 June 2024 as announced by the People's Bank of China.

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Shareholders should note that the Share price movement following the publication of the Champion 3.7 Announcement, Champion 3.5 Announcement, Huarui 3.7 Announcement and the 3.5 Announcement are likely to be driven by the Champion Offer (which was lapsed on 3 September 2024) and the Huarui Offer and as such, the sustainability of the current Share price level could be uncertain if the Huarui Offer fails to become unconditional.

5.2 Trading Liquidity

Set out below in the table are the average daily trading volume of the Shares and the percentages of the average daily trading volume to the number of total issued Shares and public float of the Company respectively during the Review Period:

	Average daily trading volume of the Shares	Approximate % of average daily trading volume to the number of total issued Shares (Note 1)	Approximate % of average daily trading volume to the public float of the Company (Note 2)
2022			
October	715,800	0.06%	0.30%
November	648,735	0.06%	0.27%
December	247,549	0.02%	0.10%
2023			
January	195,126	0.02%	0.08%
February	141,488	0.01%	0.06%
March	197,087	0.02%	0.08%
April	203,941	0.02%	0.08%
May	304,286	0.03%	0.13%
June	300,490	0.03%	0.12%
July	119,650	0.01%	0.05%
1 August – 16 August (i.e. the last trading day prior to the publication of Champion 3.7 Announcement)	1,369,475	0.12%	0.59%
During the Undisturbed Period (i.e. from 3 October 2022 to 16 August 2023)	371,066	0.03% (Note 3)	0.15% (Note 3)
17 August – 31 August	1,558,455	0.14%	0.67%
September	510,619	0.05%	0.22%
October	334,700	0.03%	0.14%

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	Average daily trading volume of the Shares	Approximate % of average daily trading volume to the number of total issued Shares <i>(Note 1)</i>	Approximate % of average daily trading volume to the public float of the Company <i>(Note 2)</i>
1 November – 29 November (i.e. the last trading day prior to the publication of the Champion 3.5 Announcement)	954,642	0.09%	0.41%
From 7 December 2023 (i.e. the first trading day following the publication of the Champion 3.5 Announcement) – 11 December 2023 (i.e. the last trading day prior to the publication of Huarui 3.7 Announcement)	8,100,667	0.73% <i>(Note 3)</i>	3.35% <i>(Note 3)</i>
During the Pre-3.7 Announcement Period (i.e. 3 October 2022 to 11 December 2023)	536,848	0.05% <i>(Note 3)</i>	0.23% <i>(Note 3)</i>
From 12 December 2023 (i.e. the first trading day following the publication of the Huarui 3.7 Announcement) to 29 December 2023	2,764,042	0.25% <i>(Note 3)</i>	1.14% <i>(Note 3)</i>
2024			
January	1,137,690	0.10%	0.47%
February	603,684	0.05%	0.25%
March	610,850	0.05%	0.25%
April	567,466	0.05%	0.23%
May	833,306	0.07%	0.33%
From 3 June 2024 to 7 June 2024 (i.e. the Last Trading Date)	447,600	0.04% <i>(Note 3)</i>	0.17% <i>(Note 3)</i>

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	Average daily trading volume of the Shares	Approximate % of average daily trading volume to the total issued Shares <i>(Note 1)</i>	Approximate % of average daily trading volume to the public float of the Company <i>(Note 2)</i>
From 11 June 2024 (i.e. the first trading day following the publication of the 3.5 Announcement) to the Latest Practicable Date	1,137,450	0.10% <i>(Note 3)</i>	0.44% <i>(Note 3)</i>

Source: the Stock Exchange

Notes:

1. The calculation is based on the average daily trading volume of the Shares for the respective month over the number of total issued Shares for the same month.
2. The total number of Shares held by the public for the respective month is based on the announcements published by the Company in relation to the update of the status of the public float for each month.
3. Approximate % of average daily trading volume to the number of total issued Shares for the said period is based on the average daily trading volume over the said period and the average of month end total issued Shares for the relevant months. Approximate % of average daily trading volume to the public float of the Company is based on the average daily trading volume over the said period and the average of month end total number of Shares held by the public (calculation is set out under note 2 above).

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From the table above, which sets out the average daily trading volume as a percentage of the number of total issued Shares and as a percentage of the public float respectively, we note that the average daily trading volume of the Shares has been relatively thin. The average daily trading volume of the Shares during the Undisturbed Period from 3 October 2022 to 16 August 2023 (i.e. the last trading day prior to the publication of Champion 3.7 Announcement) was 371,066 Shares, representing only around 0.03% of the total issued share capital of the Company and around 0.15% of the public float. We have discussed with management of the Group regarding the increase in average daily trading volume from 1 August 2023 to 16 August 2023 and were advised that, save for the publication of the inside information announcement in relation to the possible disposal of Shares by a substantial shareholder of the Company on 2 June 2023, they are not aware of other particular reason that possibly led to the increase in average daily trading volume of the Shares.

The publication of the Champion 3.7 Announcement in August 2023 heightened the trading volume and to an average of approximately 1,558,455 Shares for the remaining trading days in August 2023, representing around 0.14% of total issued share capital of the Company, and around 0.67% of total public float in August, though the trading volume of the Company was comparatively less active in September and October 2023. After the publication of the Champion 3.5 Announcement, the daily trading volume of the Shares increased significantly to an average of 8,100,667 Shares, representing around 0.73% of the total volume of issued Shares and around 3.35% of total public float, during the period from 7 December 2023 to 11 December 2023, being the last trading day prior to the publication of the Huarui 3.7 Announcement.

After the publication of the Huarui 3.7 Announcement, the average daily trading volume of the Shares, during the period from 12 December 2023 to 31 December 2023, decreased to 2,764,042 Shares, representing around 0.25% of the total volume of issued Shares and around 1.14% of total public float, and the average daily trading volume of the Shares further decreased to 1,137,690 Shares in January 2024, representing around 0.10% of the total issued share capital of the Company and around 0.47% of the total public float. The average daily trading volume of the Shares from February 2024 to 7 June 2024, being the last trading day prior to the publication of 3.5 Announcement, ranged from 447,600 Shares (representing around 0.04% of the total volume of issued shares and around 0.17% of total public float) to 833,306 Shares (representing around 0.07% of the total volume of issued Shares and 0.33% of total public float). After the publication of the 3.5 Announcement, the average daily trading volume of the Shares increased to 1,137,450 Shares, representing around 0.10% of the total volume of issued Shares and around 0.44% of total public float during the period from 11 June 2024 (being the first trading day immediately after the publication of the 3.5 Announcement) to the Latest Practicable Date.

Disinterested Shareholders should note that the public float of the Company has fallen below the minimum prescribed percentage of 25% as required by Rule 8.08 of the Listing Rules since 19 October 2021. The minimum public float requirement of 25% has not been satisfied for over two years. As at the Latest Practicable date, the public float of the Company is approximately 23.02%. Given the historically thin trading volume of the Shares and the public float is below minimum requirement of 25%, it is uncertain whether there would be sufficient liquidity in the Shares for the Disinterested Shareholders to dispose of a significant number of Shares in the open market without causing an adverse impact on the market price of the Shares. The Huarui Offer therefore represents an opportunity for the Disinterested Shareholders, particularly for those who hold a large volume of Shares, to dispose of their holdings at the Huarui Offer Price if they so wish, provided the Huarui Offer becomes unconditional.

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6. Comparable analysis

As discussed in the section headed “1.2 Financial information of the Group” above, 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. In order to evaluate the fairness and reasonableness of the Huarui Offer Price, we have conducted a comparable company analysis based on the following criteria to include companies that (i) are listed on the Main Board of the Stock Exchange; (ii) are principally engaged in the manufacturing and sales of packaging products with at least 50% of their respective total revenue contributed from such business segment in their latest financial year/trailing twelve-months period; and (iii) recorded a net profit attributable to owners of the company for their latest financial year/trailing twelve-months period results.

Based on the aforementioned criteria, we identified an exhaustive list of 9 listed companies on the Main Board of the Stock Exchange which are engaged in the manufacturing and sales of packaging products business (the “**Comparable Company(ies)**”). Based on information publicly available, we note that the packaging products of the Comparable Companies serves a wide spectrum of industries including but not limited to, consumer products industry, pharmaceutical industry and chemical products industry. Although the packaging products manufactured by the Comparable Companies and the Company may not be exactly the same, they are all engaged in similar business activities, being the manufacturing and sales of packaging products. Given (i) the similarity in business nature of the Comparable Companies and the Company; and (ii) the sufficient number of Comparable Companies identified, we consider the list of Comparable Companies to be fair and representative.

We have selected the use of price-to-earnings ratio (the “**P/E Ratio**”), price-to-book ratio (the “**P/B Ratio**”) and dividend yield for the purpose of the comparable company analysis because we consider such ratios to be suitable valuation methodologies as they are common financial analysis tools used to evaluate companies with a proven track record.

Set out in the table below are the details of the Comparable Companies and their P/E Ratios, P/B Ratios and dividend yield:

Company name	Stock Code	Principal business	Market Capitalisation <i>HK\$' million</i>	P/E Ratio <i>times</i> <i>(Note 1)</i>	P/B Ratio <i>times</i> <i>(Note 2)</i>	Dividend yield <i>%</i> <i>(Note 3)</i>
Nine Dragons Paper (Holdings) Limited	2689.HK	Manufacture and sales of packaging paper, printing and writing paper, high value specialty paper products and pulp	16,000.5	18.8	0.3	Nil
Lee & Man Paper Manufacturing Limited (“L&M”)	2314.HK	Manufacture and sales of paper, and manufacture and sales of pulp	10,093.3	6.3	0.4	5.2

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Company name	Stock Code	Principal business	Market Capitalisation <i>HK\$' million</i>	P/E Ratio <i>times</i> <i>(Note 1)</i>	P/B Ratio <i>times</i> <i>(Note 2)</i>	Dividend yield <i>%</i> <i>(Note 3)</i>
Greatview Aseptic Packaging Company Limited (“GAP”)	468.HK	Manufacturing, distribution and selling of paper packaging and filling machines to dairy and non-carbonated soft drink producers	2,955.0 <i>(Note 5)</i>	10.3	0.9	4.8
Pacific Millennium Packaging Group Corporation (“Pacific Millennium”)	1820.HK	Manufacture and sale of packaging materials	1,863.9	497.2	3.1	2.6
Hung Hing Printing Group Limited	450.HK	Book and package printing; consumer product packaging; corrugated box; and trading of paper	889.7	18.4	0.3	13.3
China Aluminum Cans Holdings Limited	6898.HK	Manufacture and sale of aluminum aerosol cans	554.9	27.1	2.1	1.2
Southeast Asia Properties & Finance Limited	252.HK	Property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials and securities broking and margin financing	383.2	22.7	0.3	1.8
Zhengye International Holdings Company Limited	3363.HK	Manufacture and sales of packaging paper and paper-based packaging products	200.0	13.9	0.2	2.8
Starlite Holdings Limited	403.HK	Printing and manufacturing of packaging materials, labels and paper products, including environmental friendly paper products	96.6	5.4	0.1	13.0

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Company name	Stock Code	Principal business	Market Capitalisation <i>HK\$' million</i>	P/E Ratio <i>times</i> <i>(Note 1)</i>	P/B Ratio <i>times</i> <i>(Note 2)</i>	Dividend yield <i>%</i> <i>(Note 3)</i>
				5.4	0.1	Nil
				497.2	3.1	13.3
				18.4	0.3	2.8
				68.9	0.8	4.9
Excluding Pacific Millennium's P/E Ratio as an outlier (Note 6)						
				16.2		
				15.4		
The Company			8,027.8	15.5	1.3	1.8
(based on the				<i>(Note 4)</i>	<i>(Note 4)</i>	
Huarui Offer						
Price)						

Source: the Stock Exchange and Bloomberg

Notes:

1. P/E Ratios of the Comparable Companies were calculated based on the disclosed profit attributable to owners of the company for the latest financial year/trailing twelve months period of the respective Comparable Company and the respective Comparable Company's market capitalisation as at the Latest Practicable Date.
2. P/B Ratios of the Comparable Companies were calculated based on the respective net asset value attributable to owners of the company as published in their respective latest financial report/results and the respective Comparable Company's market capitalisation as at the Latest Practicable Date.
3. Dividend yield of the Comparable Companies and the Company are calculated based on the latest interim/special and final dividends (if any) as published in their respective announcements and/or financial reports.
4. The implied P/E Ratio and P/B Ratio of the Company as represented by the Huarui Offer Price were calculated based on the profit attributable to equity holders of the Company for the trailing twelve months period ended 30 June 2024 and the net asset value attributable to equity holders of the Company as at 30 June 2024, respectively, as derived from/disclosed in the 2023 Annual Report and the 2024 Interim Report and the implied market capitalisation of the Company as represented by the Huarui Offer Price.
5. Based on the announcement dated 9 May 2024, a pre-conditional voluntary general offer has been made to acquire all shares of GAP. The calculation of market capitalisation for GAP above is based on the share price of GAP as at the last trading day prior to the GAP Offer (as defined below), which was 9 May 2024.
6. The P/E Ratio of Pacific Millennium of approximately 497.2 times which is extraordinarily higher than those of the other Comparable Companies and therefore, is considered an outlier for the P/E Ratio analysis.

As shown in the table above, (i) the implied P/E Ratio represented by the Huarui Offer Price is within the range of the P/E Ratio of the Comparable Companies, and is higher than the average P/E Ratio of the Comparable Companies excluding the outlier; and (ii) the implied P/B Ratio represented by the Huarui Offer Price is higher than the average and median of P/B Ratio of the Comparable Companies.

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Disinterested Shareholders should also note from the table above that most of the Comparable Companies have market capitalisation substantially different from that of the Company which is around HK\$5,789.8 million as at the last trading day prior to the publication of the Champion 3.7 Announcement. As such, on a closer examination of the Comparable Companies with market capitalisation of around HK\$2 billion to HK\$10 billion (being at least half and double of the market capitalisation of the Company as at the last trading day prior to the publication of the Champion 3.7 Announcement), which are considered more relevant and comparable with respect to their size and market capitalisation, being L&M and GAP, we note that the implied P/E Ratio and the implied P/B ratio represented by the Huarui Offer Price are both higher than the P/E Ratio and P/B Ratio of L&M and GAP.

In particular, attention is also drawn to the Disinterested Shareholders that one of the Comparable Companies namely GAP is currently subject to a pre-conditional voluntary general offer (the “**GAP Offer**”) at an offer price of HK\$2.65 per share of GAP (the “**GAP Offer Price**”) in cash, and based on the latest announcement dated 11 December 2024 made by the offeror of the GAP Offer, certain pre-conditions of the GAP Offer have yet to be fulfilled. We noted that the P/E Ratio and the P/B Ratio of GAP would be around 13.0 times and 1.1 times respectively based on the GAP Offer Price. As such, the implied P/E Ratio and the P/B Ratio represented by the Huarui Offer Price are both higher than the respective ratios under the GAP Offer. Huarui Offer Price is also around 4.9% higher than the offer price of HK\$6.87 under the Champion Offer which was recently launched on 30 July 2024 and lapsed on 3 September 2024.

As shown in the table above, the implied dividend yield of the Company based on the Huarui Offer Price is lower than the average and median of the dividend yield of the Comparable Companies, which indicates a lower investment return based on the dividend yield relative to the Huarui Offer Price, while at the same time, it also reflects the fact that the Huarui Offer Price relative to dividend is favourable in this respect.

Based on the above analysis, we consider the Huarui Offer Price reasonable as compared to the Comparable Companies.

DISCUSSION

We consider that of the Huarui Offer, including the Huarui Offer Price, to be fair and reasonable so far as the Disinterested Shareholders are concerned after taking into account all of the above principal factors and reasons, in particular:

1. as discussed in the section headed “3. Prospects of the Group”, although the Group’s net profit remained relatively stable for the past three financial years and 1H2024, it is expected that the outlook of the Group would still be challenging and be highly dependent on its ability in, amongst others, costs management and responding to the uncertain regional and global economic conditions;

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2. the Huarui Offer Price is higher than the Share closing price(s) (i) during the entire Undisturbed Period and represents a premium of approximately 69.2% over the average closing price for the Undisturbed Period of HK\$4.26 per Share; (ii) during the entire Pre-announcement Period, and represents a premium of approximately 34.8% over the average closing price for the Pre-announcement Period of HK\$5.35 per Share; and (iii) represents a premium of approximately 1.4% over the Share closing prices as at Latest Practicable Date;
3. the Huarui Offer Price represents a premium of approximately 26.7% over the unaudited consolidated net asset value of approximately RMB5.20 per Share (equivalent to approximately HK\$5.69 per Share as at 30 June 2024 based on the number of Shares in issue as at the Latest Practicable Date;
4. the historical trading volume of the Shares has been thin during the Review Period and the Disinterested Shareholders may find it difficult to dispose of a significant number of Shares in the open market without causing an adverse impact on the market price of the Shares. The Huarui Offer therefore represents an opportunity for the Disinterested Shareholders, particularly for those who hold a large volume of Shares, to dispose of their holdings at the Huarui Offer Price if they so wish, assuming the Huarui Offer becomes unconditional; and
5. the implied P/E Ratio represented by the Huarui Offer Price is within the range of the P/E Ratio of the Comparable Companies, and is higher than the average P/E Ratio of the Comparable Companies excluding the outlier; and the implied P/B Ratio represented by the Huarui Offer Price is higher than the average and median of P/B Ratio of the Comparable Companies.

OPINION AND RECOMMENDATIONS

Having taken into account the above principal factors set out in this letter and summarised in the section headed “Discussion” above, we consider that the Huarui Offer are fair and reasonable so far as the Disinterested Shareholders are concerned and, accordingly, we advise the Independent Board Committee to recommend the Disinterested Shareholders to accept the Huarui Offer.

Though the Shares have traded in the market below the Huarui Offer Price since 3 October 2022 up to the Latest Practicable Date when they closed at HK\$7.11, there is still a possibility that the Share price may exceed the Huarui Offer Price in the period before the Huarui Offer closes. Disinterested Shareholders who intend to realise their investments in the Company in whole or in part by accepting the Huarui Offer should monitor the Share price, and if the proceeds of selling in the market (net of costs) would be higher than the net proceeds receivable under the Huarui Offer, such Disinterested Shareholders should, having regard to their own circumstances, consider selling their Shares in the open market instead of realising their investment by accepting the Huarui Offer. Disinterested Shareholders should also monitor the overall trading volume of the Shares, as they may or may not be able to dispose of their Shares in the market without exerting downward pressure on the Share prices.

LETTER FROM THE HUARUI OFFER INDEPENDENT FINANCIAL ADVISER

The procedures for acceptance of the Huarui Offer are set out in Appendix I to the Huarui Offer Document and the accompanying Form of Acceptance. Disinterested Shareholders are urged to read the timetable set out in the Huarui Offer Document and any revised timetable (if any) to be announced by Huarui or the Company carefully and act accordingly if they wish to accept the Huarui Offer.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED

Lyan Tam
Director

Calvin Leung
Director

Ms. Lyan Tam is a licensed person registered with the SFC and as a responsible officer of Somerley Capital Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 20 years of experience in corporate finance industry.

Mr. Calvin Leung is a licensed person registered with the SFC and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 20 years of experience in the corporate finance industry.

1. PROCEDURES FOR ACCEPTANCE

- (a) To accept the Huarui Offer, you should duly complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Huarui Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Huarui Offer Shares is/are in your name and you wish to accept the Huarui Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by post or by hand, marked "**CPMC Holdings Limited – Huarui Offer**" on the envelope as soon as possible and in any event by no later than 4:00 p.m. on the first Huarui Offer Closing Date or such later time(s) and/or date(s) as Huarui may determine and announce in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Huarui Offer Shares is/are in the name of a nominee company or a name other than your own and you wish to accept the Huarui Offer in full or in part, you must either:
- i. lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Huarui Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Huarui Offer to the Registrar in an envelope marked "**CPMC Holdings Limited – Huarui Offer**"; or
 - ii. arrange for the Huarui Offer Shares to be registered in your name by the Company, through the Registrar, and send the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar in an envelope marked "**CPMC Holdings Limited – Huarui Offer**"; or
 - iii. if your Huarui Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees to accept the Huarui Offer on your behalf on or before the deadline set by HKSCC Nominees. In order to meet the deadline set by HKSCC Nominees, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- iv. if your Huarui Offer Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.
- (d) If you have lodged transfer(s) of any of your Huarui Offer Shares for registration in your name and have not received your share certificate(s) and you wish to accept the Huarui Offer, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "**CPMC Holdings Limited – Huarui Offer**" to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the transfer receipt(s) duly signed by you as soon as possible but in any event no later than 4:00 p.m. on the first Huarui Offer Closing Date or such later time(s) and/or date(s) as Huarui may determine and announce in accordance with the Takeovers Code. Such action will be deemed to be an irrevocable authority to Huarui and/or its agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Huarui Offer, as if it/they were delivered to the Registrar with the Form of Acceptance.
- (e) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Huarui Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Huarui Offer, the Form of Acceptance should nevertheless be duly completed and delivered to the Registrar in an envelope marked "**CPMC Holdings Limited – Huarui Offer**" together with a letter stating that you have lost one or more of your share certificates and/or transfer receipt(s) and/or other document(s) of title in respect of your Huarui Offer Shares or that it/they is/are not readily available. If you subsequently find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Huarui Offer Shares, you should also write to the Registrar requesting a form of letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar. Huarui has absolute discretion to decide whether any Huarui Offer Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by Huarui.
- (f) Acceptance of the Huarui Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the first Huarui Offer Closing Date or such later time(s) and/or date(s) as may be announced by Huarui in compliance with the Takeovers Code, and is:
- i. accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Huarui Offer Shares for which you intend to accept the Huarui Offer and, if that/those share certificate(s) and/or any other document(s) of title is/are not in your name, such other document(s) (e.g. a duly stamped form of transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Huarui Offer Shares; or

ii. from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Huarui Offer Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or

iii. certified by the Registrar or the Stock Exchange,

and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received.

- (g) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (h) If the number of Huarui Offer Shares for which you intend to accept the Huarui Offer as inserted into the completed and signed Form of Acceptance delivered to the Registrar is greater than your registered holding of Huarui Offer Share(s), or is greater or smaller than that represented by the accompanying share certificate(s) for Huarui Offer Share(s) tendered for acceptance of the Huarui Offer, the Registrar will return such Form of Acceptance to you for correction and resubmission. Any corrected Form of Acceptance must be resubmitted and received by the Registrar on or before the latest time and date for acceptance of the Huarui Offer.
- (i) If the Huarui Offer is withdrawn or lapses, Huarui shall, as soon as possible but in any event no later than seven (7) Business Days after the Huarui Offer is withdrawn or lapses, return by ordinary post at your own risk the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Huarui Offer Shares tendered for acceptance together with the duly cancelled Form of Acceptance to the relevant Shareholder(s).
- (j) Before delivering the Form of Acceptance to the Registrar, please ensure it has been duly completed and signed and that the signature has been witnessed.
- (k) No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. SETTLEMENT

- (a) Subject to the Huarui Offer becoming or being declared unconditional in all respects and provided that a duly completed Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Huarui Offer Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar before the close of the Huarui Offer, a cheque for the amount due to each of the Shareholders who accepts the Huarui Offer less seller's ad valorem stamp duty in respect of the Huarui Offer Shares for which the Huarui Offer was accepted by him/her under the Huarui Offer, together with the share certificate(s) representing any tendered Huarui Offer Shares (if applicable), will be despatched to such Shareholder by ordinary post at his/her own risk as soon as possible but in any event no later than seven (7) Business Days after the later of (i) the date on which the Huarui Offer becomes or is declared unconditional in all respects; and (ii) the date of receipt of a duly completed Form of Acceptance together with all of the relevant document(s) by the Registrar to render such acceptance under the Huarui Offer complete and valid.
- (b) Settlement of the consideration to which any Shareholder is entitled under the Huarui Offer will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty) without regard to any lien, right of set-off, counterclaim or other analogous right to which Huarui may otherwise be, or claim to be, entitled against such Shareholder.
- (c) No fraction of a cent will be payable and the amount of consideration payable to a Shareholder who accepts the Huarui Offer will be rounded down to the nearest cent.
- (d) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and be of no further effect, and in such circumstances cheque holders should contact Huarui for payment.

3. ACCEPTANCE PERIOD AND REVISION

- (a) Unless the Huarui Offer has previously been revised or extended in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed on the thereon and in this Huarui Offer Document by 4:00 p.m. on the first Huarui Offer Closing Date or such later time(s) and/or date(s) as Huarui may determine and announce in accordance with the Takeovers Code.
- (b) If the Huarui Offer is revised or extended, Huarui will issue an announcement in relation to such revision or extension of the Huarui Offer, which announcement will either state the next Huarui Offer Closing Date or, if the Huarui Offer has become or been declared unconditional as to acceptances, include a statement that the Huarui Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given, before the Huarui Offer is closed, to those Shareholders who have not accepted the Huarui Offer.

- (c) If, in the course of the Huarui Offer, Huarui revises the terms of the Huarui Offer, all Shareholders, whether or not they have already accepted the Huarui Offer, will be entitled to accept the revised Huarui Offer under the revised terms. A revised Huarui Offer must be kept open for at least fourteen (14) days following the date of the revised offer document(s).
- (d) Huarui may introduce new conditions to be attached to any revision to the terms of the Huarui Offer, or any subsequent revision thereof, but only to the extent necessary to implement the revised Huarui Offer and subject to the consent of the Executive.
- (e) If the first Huarui Offer Closing Date is extended, any references in this Huarui Offer Document and the Form of Acceptance to the Huarui Offer Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Huarui Offer Closing Date.
- (f) There is no obligation on Huarui to extend the Huarui Offer if the Conditions are not satisfied or waived (where applicable) by the first Huarui Offer Closing Date.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Shareholders who hold Huarui Offer Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Huarui Offer Shares whose investments are registered in the names of nominees, to accept the Huarui Offer, it is essential that they provide instructions of their intentions with regard to the Huarui Offer to their nominees. Acceptance of the Huarui Offer by any nominee will be deemed to constitute a warranty by such nominee to Huarui that the number of Huarui Offer Shares it has indicated in the Form of Acceptance is the aggregate number of Huarui Offer Shares for which such nominee has received authorisations from the beneficial owners to accept the Huarui Offer on their behalf.

5. ANNOUNCEMENTS

- (a) An announcement will be made when the Huarui Offer becomes or is declared unconditional as to acceptances and when the Huarui Offer becomes or is declared unconditional in all respects.
- (b) By 6:00 p.m. on the first Huarui Offer Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), Huarui must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Huarui Offer. Huarui must publish an announcement in accordance with the Listing Rules and the Takeovers Code on the Stock Exchange's website by 7:00 p.m. on the first Huarui Offer Closing Date stating the results of the Huarui Offer and whether the Huarui Offer has been revised, extended or has expired or has become or been declared unconditional (and, in such case, whether as to acceptances or in all respects). The announcement will state the following:
 - i. the total number of Huarui Offer Shares and rights over Huarui Offer Shares for which acceptances of the Huarui Offer has been received;

- ii. the total number of Huarui Offer Shares and rights over Huarui Offer Shares held, controlled or directed by Huarui and the Huarui Concert Parties before the Huarui Offer Period;
 - iii. the total number of Huarui Offer Shares and rights over Huarui Offer Shares acquired or agreed to be acquired during the Huarui Offer Period by Huarui and the Huarui Concert Parties; and
 - iv. details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which Huarui and any of the Huarui Concert Parties have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.
- (c) The announcement will also specify the percentages of the issued share capital, and the percentages of voting rights, represented by these numbers of Huarui Offer Shares.
- (d) As required under the Takeovers Code and the Listing Rules, all announcements in relation to the Huarui Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules.
- (e) If any of Huarui, the Huarui Concert Parties or their respective advisers make any statement during the Huarui Offer Period about the level of acceptances or the number or percentage of accepting Shareholders, Huarui must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

6. RIGHT OF WITHDRAWAL

- (a) The Huarui Offer is conditional upon fulfilment of the Conditions set out in the section headed “Letter from CSCI” of this Huarui Offer Document. Acceptance of the Huarui Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in any of the circumstances set out in the sub-paragraphs (i) and (ii) below:
- i. Rule 17 of the Takeovers Code provides that an acceptor of the Huarui Offer shall be entitled to withdraw his/her/its acceptance after twenty-one (21) days from the first Huarui Offer Closing Date if the Huarui Offer has not by then become unconditional as to acceptances and up to the earlier of: (a) such time as the Huarui Offer becomes or is declared unconditional as to acceptances; and (b) 4:00 p.m. on the 60th day from the date of despatch of this Huarui Offer Document (or the date beyond which Huarui has stated that the Huarui Offer will not be extended, if applicable). An acceptor of the Huarui Offer may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar in an envelope marked “**CPMC Holdings Limited – Huarui Offer**”; and
 - ii. Under Rule 19.2 of the Takeovers Code, if Huarui is unable to comply with the requirements set out in the paragraph headed “5. Announcements” in this Appendix I above, the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements are met.

- (b) If acceptance of the Huarui Offer is withdrawn by an accepting Shareholder in accordance with the Takeovers Code, Huarui shall, as soon as possible but in any event no later than seven (7) Business Days after receipt of the notice of withdrawal, return the relevant share certificate(s) and/or transfer receipt(s) or the relevant certificate(s), document(s) of title lodged with the Form of Acceptance to the relevant accepting Shareholder by ordinary post.
- (c) Save as aforesaid, acceptances of the Huarui Offer shall be irrevocable and not capable of being withdrawn.

7. HONG KONG STAMP DUTY

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Huarui Offer Shares or the consideration payable by Huarui in respect of the relevant acceptances of the Huarui Offer, whichever is higher (rounded up to the nearest HK\$1.00), will be deducted from the amount payable to the relevant Shareholder on acceptance of the Huarui Offer. Huarui will arrange for payment of the seller's ad valorem stamp duty on behalf of the accepting Shareholders in connection with the acceptance of the Huarui Offer and the transfer of the Huarui Offer Shares.

8. TAX IMPLICATIONS

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 Huarui Offer. It is emphasised that none of Huarui, Huarui Concert Parties, the Company, CSCI, their respective advisers and their respective directors, officers or associates or any other person involved in the Huarui Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Huarui Offer.

9. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipt(s), document(s) of title or entitlement in respect of the Huarui Offer Shares and/or documentary evidence of authority (and/or any satisfactory indemnity or indemnities required in respect thereof) if delivered by or sent to or from the Shareholders or their designated agents by post, shall be posted at their own risk, and none of Huarui, the Company, CSCI and any of their respective directors, the Registrar or any other parties involved in the Huarui Offer and any of their respective agents or advisers accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form(s) of Acceptance form part of the terms and conditions of the Huarui Offer.
- (c) The accidental omission to despatch this Huarui Offer Document and/or Form(s) of Acceptance or any of them to any person to whom the Huarui Offer is made will not invalidate the Huarui Offer in any way.

- (d) The Huarui Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of any person will constitute the agreement of such person that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Huarui Offer.
- (e) Due execution of a Form(s) of Acceptance will constitute an authority to Huarui, the Company (as applicable), CSCI, the Registrar and/or such person or persons as any of them may direct to complete, amend and execute any document on behalf of the person or persons accepting the Huarui Offer and to do any other act that may be necessary or expedient for the purposes of vesting in Huarui, or such person or persons as it may direct, the Huarui Offer Shares in respect of which such person or persons has/have accepted the Huarui Offer.
- (f) Acceptance of the Huarui Offer by any person will be deemed to constitute a representation and warranty by such person or persons to:
 - i. Huarui and CSCI that the Huarui Offer Shares sold by such person or persons to Huarui are free from all liens, equities, mortgages charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and are sold together with all rights attaching to them as at the Huarui Offer Closing Date or subsequently becoming attached to them, including the right to receive all dividends and distributions, if any, declared, made or paid on or after the Huarui Offer Closing Date; and
 - ii. Huarui and its advisers, including CSCI, in respect of the Huarui Offer, that if such Shareholder accepting the Huarui Offer is a citizen, resident or national of a jurisdiction outside Hong Kong, he/she has observed and is permitted under all applicable laws and regulations to which such overseas Shareholder is subject to receive and accept the Huarui Offer and any revision thereof, and that he/she has obtained all requisite governmental, exchange control or other consents and made all registrations or filings required in compliance with all necessary formalities and regulatory or legal requirements, and have paid all issue, transfer or other taxes, duties or other required payments due from him/her in connection with such acceptance in any jurisdiction, and that he/she has not taken or omitted to take any action which will or may result in Huarui or its advisers, including CSCI, or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Huarui Offer or his/her acceptance thereof and such acceptance, surrender and/or cancellation shall be valid and binding in accordance with all applicable laws and regulations.
- (g) Reference to any of the Huarui Offer in this Huarui Offer Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (h) Any Shareholders accepting the Huarui Offer will be responsible for payment of any transfer or cancellation or other taxes, duties and other required payments payable in each relevant jurisdiction due by such persons.

- (i) In making their decisions with regard to the Huarui Offer, the Shareholders should rely on their own examination of Huarui, the Group and the terms of the Huarui Offer, including the merits and risks involved. The contents of this Huarui Offer Document, including any general advice or recommendation contained herein, together with the Form of Acceptance shall not be construed as any legal or business advice on the part of Huarui, the Company and/or their respective advisers, including CSCI. Shareholders should consult their own professional advisers for professional advice.

- (j) Unless otherwise expressly stated in this Huarui Offer Document and/or Form of Acceptance, none of the terms of the Huarui Offer or any terms contained in the aforementioned documents will be enforceable, under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong), by any person other than Huarui and the accepting Shareholder(s).

- (k) The English text of this Huarui Offer Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited consolidated financial results of the Group (including items of income and/or expense which are material) for the financial years ended 31 December 2021, 2022 and 2023, respectively, and the unaudited consolidated financial results of the Group (including items of income and/or expense which are material) for the six months ended 30 June 2024 as extracted from the relevant published annual report of the Company for the relevant years.

	For the year ended 31 December			For the six months ended
	2021	2022	2023	30 June
	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)	(unaudited)
Revenue	9,566,382	10,255,225	10,265,310	5,547,547
Cost of sales	(8,236,171)	(8,973,085)	(8,660,013)	(4,655,466)
Gross profit	1,330,211	1,282,140	1,605,297	892,081
Other income, gains and losses	142,245	224,853	105,070	14,042
Selling and marketing expenses	(409,853)	(393,955)	(392,930)	(205,032)
Administrative expenses	(431,922)	(431,206)	(455,147)	(228,017)
Finance costs	(65,590)	(87,717)	(238,489)	(140,952)
Share of results of joint ventures	1,568	1,978	2,491	2,225
Profit before income tax	566,659	596,093	626,292	334,347
Income tax expense	(93,200)	(111,415)	(140,814)	(59,604)
Profit for the year/period	<u>473,459</u>	<u>484,678</u>	<u>485,478</u>	<u>274,743</u>
Attributable to:				
– Equity holders of the Company	462,498	486,512	474,760	266,930
– Non-controlling interests	10,961	(1,834)	10,718	7,813
	<u>473,459</u>	<u>484,678</u>	<u>485,478</u>	<u>274,743</u>

	For the year ended 31 December			For the six months ended
	2021	2022	2023	30 June
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (unaudited)
Earnings per share attributable to ordinary equity holders of the Company				
Basic	<u>RMB0.415</u>	<u>RMB0.437</u>	<u>RMB0.426</u>	<u>RMB0.240</u>
Diluted	<u>RMB0.415</u>	<u>RMB0.437</u>	<u>RMB0.426</u>	<u>RMB0.240</u>
Profit for the year/period	<u>473,459</u>	<u>484,678</u>	<u>485,478</u>	<u>274,743</u>
Other comprehensive income/(expense)				
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>				
– Exchange differences arising on translation of foreign operations (with nil tax effect)	<u>80,180</u>	<u>(344,029)</u>	<u>(49,535)</u>	<u>(39,202)</u>
Other comprehensive income/(expense) for the year, net of tax	<u>80,180</u>	<u>(344,029)</u>	<u>(49,535)</u>	<u>(39,202)</u>
Total comprehensive income for the year	<u>553,639</u>	<u>140,649</u>	<u>435,943</u>	<u>235,541</u>
Attributable to:				
– Equity holders of the Company	<u>549,508</u>	<u>140,432</u>	<u>421,435</u>	<u>229,441</u>
– Non-controlling interests	<u>4,131</u>	<u>217</u>	<u>14,508</u>	<u>6,100</u>
	<u>553,639</u>	<u>140,649</u>	<u>435,943</u>	<u>235,541</u>
Dividend distributed to owners	289,490	239,386	244,953	–
Dividend per Share (RMB)	RMB0.260	RMB0.215	RMB0.220	–

Save as disclosed above, the Group did not have any item of income or expense which was material for each of the three years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024.

2. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Set out below are the latest published audited consolidated financial statements of the Group for each of the three years ended 31 December 2021, 2022 and 2023, respectively, and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024, which has been set out in the annual reports and the interim report of the Company for the relevant years/period and is available on the website of the Company (<http://www.cofcopack.com>) and the website of the Stock Exchange (www.hkexnews.hk) as specifically set out below:

- the annual report of the Company for the year ended 31 December 2021 (pages 194 to 313), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0420/2022042000400.pdf>

- the annual report of the Company for the year ended 31 December 2022 (pages 198 to 317), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0417/2023041700602.pdf>

- the annual report of the Company for the year ended 31 December 2023 (pages 218 to 337), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0418/2024041800859.pdf>

- the interim report of the Company for the six months ended 30 June 2024 (pages 7 to 47), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0819/2024081900841.pdf>

No modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the reports of the auditors of the Company in respect of each of the three years ended 31 December 2021, 2022 and 2023 respectively, and the six months ended 30 June 2024.

3. MATERIAL CHANGE IN RESPECT OF THE GROUP

The Directors confirm that, save for the following, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

The total interest-bearing bank borrowings (both current and non-current) decreased from approximately RMB5,280.7 million as at 31 December 2023 to approximately RMB3,880.3 million as at 31 October 2024 as disclosed in the section headed “4. Indebtedness Statement of the Group” in this Appendix II. The decrease was primarily attributable to the repayment of interest-bearing bank borrowings during the period from July 2024 to October 2024, which also resulted in a corresponding reduction in cash and cash equivalents of the Group.

4. INDEBTEDNESS STATEMENT OF THE GROUP

As at 31 October 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Huarui Offer Document, the Group had no guaranteed indebtedness and had the following unguaranteed indebtedness:

- (a) interest-bearing bank borrowings of approximately RMB3,880,335,000:
 - the Group’s borrowings amounting to approximately RMB3,863,863,000 was unsecured
 - the Group’s borrowings amounting to approximately RMB16,472,000 had been secured by the Group’s property, plant and equipment with an aggregate net carrying amount of approximately RMB64,197,000
- (b) lease liabilities of approximately RMB114,715,000
- (c) certain of the Group’s bills payables were secured by the Group’s bank deposits amounting to approximately RMB79,369,000
- (d) the banker’s guarantee were secured by the Group’s bank deposits amounting to approximately RMB1,840,000

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at 31 October 2024, the Group did not have any other bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

In the first half of 2024, the Ministry of Commerce deployed a series of activities to promote stable growth in consumption under the “Consumption-Promoting Year (消費促進年)”, and the implementation of new policies has injected new vitality into the economic growth and facilitated the steady recovery of the consumer market in general. The Group seized the market opportunities in a timely manner and achieved a 4.8% year-on-year increase in sales revenue in the first half of the year.

In the face of the complex and volatile external environment, the weak momentum of the global economic growth, the frequently-occurred geopolitical conflicts, the international trade frictions and other issues, the lack of domestic effective demand, changes in consumer behavior and other realities, there are still a lot of uncertainties in the second half of the year which may constrain the development of the industry, however, we believe that the challenges and opportunities co-exist. The “green, low-carbon and environmental friendly” market trend and the new green environmental protection policy have brought the impetus for the sustainable development of the metal packaging industry. The summer peak tourist and research and study season, the National Day holiday and other holiday economy will also help to drive the resumption of consumption and stimulate the further growth of the demand for downstream food, fast moving consumer goods, etc. The Group will adopt a more aggressive sales strategy and establish good communication with strategic customers based on the needs and pain points of downstream customers, so as to consolidate the market position of its advantaged businesses and further utilize its advantages of multi-point layout to make good use of its multi-product and multi-type can portfolio.

The Group has always insisted on innovation to lead high-quality development, accelerated the cultivation of new-quality productivity, and strengthened cooperation with upstream and downstream enterprises as well as industry-university-research institutes by investing in research and development in an intelligent, green and high-end manner, in order to drive the upgrade of the entire industrial chain and promote the transformation and upgrading of the traditional manufacturing industry. Since the establishment of the 3+N technological innovation system, the Company has paid close attention to market demand, adapted to changes in the consumption habits of mainstream consumer groups, upgraded and reformed its equipment and optimized its production processes, and created differentiated products through the utilization of new technologies and new materials, thereby realising growth in sales volume through the improvement of product quality and services. Under the guidance of the 3+N innovation and research and development system, we will accelerate the replication and promotion of successful experiences in the fields of informationisation, digitalization and intelligence within the business to effectively improve the production management capability and enhance the quality control level.

Looking forward, the Group will continue to pay close attention to market changes, focus on improving its core competitiveness, strengthen its domestic business and push forward the production and operation of its overseas projects, consolidate and increase its existing market shares, optimize its investment strategy, enhance its internal cost control, and continue to enhance the standard of its investment returns, so as to repay customers' trust with quality products and good services, and reward shareholders for their support with good results.

1. RESPONSIBILITY STATEMENT

The directors of Huarui and the directors of Huarui Parent jointly and severally accept full responsibility for the accuracy of the information contained in this Huarui Offer Document (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 Huarui Offer Document (other than those expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and that there are no other facts not contained in this Huarui Offer Document, the omission of which would make any statements in this Huarui Offer Document misleading.

2. INTERESTS IN THE SHARES

As at the Latest Practicable Date:

- (a) save for 269,341,200 Shares held by ORG Development, 2,326,000 Shares held by Hubei ORG and 403,000 Shares held by CSCI Investment, neither Huarui nor Huarui Concert Parties owned or had control or direction over any voting rights, or rights over the Shares or convertible securities, warrants, options or any derivatives in respect of such securities; and
- (b) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which Huarui or any of the Huarui Concert Parties has borrowed or lent (other than any borrowed shares which have been either on-lent or sold).

3. DEALINGS IN THE SHARES

Save as disclosed below, neither Huarui nor the Huarui Concert Parties had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during Relevant Period:

Name	Date of transaction	Nature of dealings	No. of Shares involved	Transaction price per Share (HK\$)
CSCI Investment	17 February 2023	Sale	2,000	4.7
	20 February 2023	Sale	98,000	4.66
	21 February 2023	Sale	12,000	4.7
	1 March 2023	Sale	10,000	4.7
	3 March 2023	Sale	1,000	4.7
	16 March 2023	Purchase	20,000	4.475
	20 March 2023	Purchase	40,000	4.4
	11 August 2023	Sale	346,000	5.0409
	17 August 2023	Sale	100,000	5.2608
	18 August 2023	Sale	10,000	5.5
	21 August 2023	Sale	40,000	4.85
	22 August 2023	Sale	154,000	5.4481
	23 August 2023	Sale	100,000	5.7615
	12 September 2023	Sale	36,000	6.0231
	15 September 2023	Sale	260,000	5.9063
	18 September 2023	Sale	61,000	5.8997
	19 September 2023	Purchase	420,000	6.0086
	19 September 2023	Sale	139,000	5.867
	27 September 2023	Purchase	13,000	5.94
	10 November 2023	Purchase	20,000	5.2
	10 November 2023	Sale	338,000	5.817
	13 November 2023	Sale	35,000	5.9994
	16 November 2023	Purchase	323,000	6.3047
7 December 2023	Sale	32,000	6.57	
7 December 2023	Purchase	32,000	6.26	

4. ARRANGEMENTS IN CONNECTION WITH THE HUARUI OFFER

As at the Latest Practicable Date:

- (a) no benefit would be given to any Directors as compensation for loss of office or otherwise in connection with the Huarui Offer;
- (b) save for the Share Charge, Huarui had no intention to transfer, charge or pledge any securities in the Company acquired pursuant to the Huarui Offer to any other person, and had no agreement, arrangement or understanding with any third party to do so. The Share Charge shall become enforceable by Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong Branch if Huarui having breached or defaulted upon its obligations under the external financing provided by Shanghai Pudong Development Bank Co., Ltd. acting through its Hong Kong Branch;
- (c) save for the Irrevocable Undertaking which has already lapsed, neither Huarui nor the Huarui Concert Parties has received any irrevocable commitment to accept or reject the Huarui Offer;
- (d) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code that existed between any person and Huarui or any Huarui Concert Parties;
- (e) save for the Huarui Offer Price, there was no agreement, arrangement or understanding (including any compensation arrangement) between Huarui or any Huarui Concert Parties on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon the Huarui Offer;
- (f) save as disclosed in the paragraph headed “Conditions to the Huarui Offer” in the section headed “Letter from CSCI” of this Huarui Offer Document, there was no agreement or arrangement to which any of Huarui or Huarui Concert Parties is a party which relates to the circumstances in which Huarui may or may not invoke or seek to invoke a condition to the Huarui Offer; and
- (g) there was no understanding, arrangement, agreement or special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Shareholder on the one hand and (ii)(a) Huarui and the Huarui Concert Parties or (b) the Company, its subsidiaries or associated companies on the other hand.

5. EXPERT AND CONSENT

The following are the qualifications of the expert(s) engaged by Huarui which have given advice which is contained in this Huarui Offer Document:

Name	Qualification
China Securities (International) Corporate Finance Company Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The expert mentioned above has given and has not withdrawn its written consent to the issue of this Huarui Offer Document with the inclusion therein of the text of its opinions, reports and/or letters (as the case may be) and/or the references to its name and/or opinions, reports and/or letters (as the case may be) in the form and context in which it appears.

6. MISCELLANEOUS

As at the Latest Practicable Date:

- (a) Huarui is indirectly wholly owned by Huarui Consulting which in turn is wholly owned by View Harmony Packaging which is owned as to 95.83% by Huarui Parent and 4.17% by Suzhou SLAC.
- (b) Huarui Parent is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002701) and is owned as to approximately 32.84% by Yuanlong Holdings. Mr. Zhou is the beneficial owner of 78% equity interests in Yuanlong Holdings. In addition to Yuanlong Holdings, Mr. Zhou is the beneficial owner of 80% equity interests in several companies which collectively hold approximately 0.70% of the total issued shares of Huarui Parent.
- (c) The directors of Huarui are Mr. Zhou Yuan, Mr. Shen Tao, and Mr. Gao Libing.

- (d) Principal members of Huarui Concert Parties and their respective directors are:

Principal member of Huarui Concert Parties	Director(s) of that member
Huarui Parent	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
ORG Development	Mr. Zhou Yuan and Mr. Shen Tao
Hubei ORG	Mr. Zhou Yuan, Mr. Shen Tao and Mr. Wang Dong

- (e) The registered office of each of Huarui and ORG Development is at Room 3305, 33/F, Tower Two, Lippo Centre, 89 Queensway Admiralty, Hong Kong.
- (f) The registered office of Huarui Parent is at Yanqi Economic Development Area, Huairou District, Beijing, the PRC.
- (g) The registered office of Hubei ORG is at He Sheng Road No.88, Xianning City, Hubei, the PRC.
- (h) CSCI is the financial adviser to Huarui and its registered office is at 18/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection on the website of the Company at www.cofco-pack.com and the website of the SFC at www.sfc.hk from the date of this Huarui Offer Document up to and including the final Huarui Offer Closing Date:

- (a) the memorandum and articles of association of Huarui;
- (b) the letter from CSCI, the text of which is set out in the section headed “Letter from CSCI” of this Huarui Offer Document; and
- (c) the written consent referred to in the section headed “5. Expert and Consent” in this Appendix III.

1. RESPONSIBILITY STATEMENTS

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Huarui Offer Document (other than information relating to Huarui and Huarui Concert Parties), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Huarui Offer Document (other than opinions expressed by Huarui's directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Huarui Offer Document, the omission of which would make any statement in this Huarui Offer Document misleading.

2. SHARE CAPITAL

With effect from 3 March 2014, relevant concepts such as nominal (par) value and requirement for authorised capital have been abolished under the Companies Ordinance (Cap. 622 of the laws of Hong Kong).

As at the Latest Practicable Date, save for a total of 1,113,423,000 Shares in issue, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). All issued Shares rank *pari passu* in all respects with each other, including in particular as to rights to dividend, voting and return on capital.

Since 31 December 2023, being the date to which the latest audited financial statements of the Company were made up, and up to the Latest Practicable Date, the Company has not issued any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

3. DISCLOSURE OF INTERESTS

(I) Directors' and chief executives' interests and short positions in securities of the Company and its associated corporations

As at the Latest Practicable Date, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) of the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") are as follows:

Name of Directors	Capacity/Nature of Interests	Number of underlying shares held in long position	Approximate percentage of Interests <i>(Note)</i>
Zhang Ye	Beneficial owner	9,366,000	0.84%
Qu Hongliang	Beneficial owner	300,000	0.03%

Note:

The percentages are calculated based on the total number of shares of the Company in issue as at the Latest Practicable Date, i.e. 1,113,423,000 Shares.

(II) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Substantial Shareholders and other persons	<i>Notes</i>	Capacity/Nature of Interests	Number of Shares held	Approximate percentage of aggregate interests in issued share capital of the Company
China Foods	<i>(1)</i>	Beneficial owner	330,658,800	29.70%
COFCO (HK)	<i>(1)&(2)</i>	Interests of controlled corporations	330,658,800	29.70%
COFCO	<i>(1)&(4)</i>	Interests of controlled corporations	330,658,800	29.70%
Huarui Parent	<i>(1)&(3)</i>	Interests of controlled corporations	271,667,200	24.40%
Yuanlong Holdings	<i>(1)&(3)</i>	Interests of controlled corporations	271,667,200	24.40%
Mr. Zhou Yunjie	<i>(1)&(3)</i>	Interests of controlled corporations	271,667,200	24.40%
Mr. Zhang Wei	<i>(1)</i>	Beneficial owner	245,080,000	22.01%

Notes:

- (1) Long position in the Shares of the Company.
- (2) China Foods is a wholly-owned subsidiary of COFCO (HK). COFCO (HK) is therefore deemed to be interested in the 330,658,800 Shares held by China Foods. COFCO (HK) and China Foods are wholly-owned subsidiaries of COFCO. COFCO is therefore deemed to be interested in the shares held by COFCO (HK) and China Foods.
- (3) ORG Development and Hubei ORG hold 269,341,200 Shares and 2,326,000 Shares respectively. ORG Development is wholly owned by ORG International. ORG International and Hubei ORG are wholly-owned by Huarui Parent. Huarui Parent is owned as to approximately 32.84% by Yuanlong Holdings and approximately 0.68% by北京二十一兄弟商貿有限公司 which in turn are owned as to approximately 78.00% and 80.00% respectively by Mr. Zhou Yunjie. Therefore, Mr. Zhou Yunjie, Yuanlong Holdings and Huarui Parent are deemed to be interested in all the Shares held by ORG Development and Hubei ORG.
- (4) COFCO (HK) and China Foods are wholly-owned subsidiaries of COFCO. COFCO is therefore deemed to be interested in the Shares held by COFCO (HK) and China Foods.
- (5) The percentages are calculated based on the total number of shares of the Company in issue as at the Latest Practicable Date, i.e., 1,113,423,000 Shares.

(III) Additional information in relation to the Huarui Offer

As at the Latest Practicable Date,

- (a) save for (i) Mr. Zhou Yuan owns 2.50% equity interest in Yuanlong Holdings and 1,077,782 shares of Huarui Parent (representing approximately 0.04% equity interest in Huarui Parent); and (ii) Mr. Shen Tao owns 2.00% equity interest in Yuanlong Holdings and 1,348,630 shares of Huarui Parent (representing approximately 0.05% equity interest in Huarui Parent), neither the Company nor any of the Directors have any direct or indirect interest in Huarui;
- (b) save as disclosed in the paragraph headed “3. Disclosure of Interests” in this Appendix IV, the Directors did not have any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares;
- (c) none of the subsidiary of the Company, pension fund of the Company or any of its subsidiaries or the person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers, owned or controlled any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (d) both Mr. Zhang Ye and Mr. Qu Hongliang intends to accept the Huarui Offer;
- (e) none of the Company or any Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;
- (f) none of the Directors have dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Relevant Period; and
- (g) none of the Directors and the Company have dealt for value in any shares of Huarui or any convertible securities, warrants, options or derivatives in respect of the shares of Huarui during the Relevant Period.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor its subsidiaries was engaged in any litigation or claims of material importance and no litigation or claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

5. MATERIAL CONTRACTS

Save as disclosed below, there were no contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which had been entered into by the Company or any of its subsidiaries within the two years immediately preceding the commencement date of the Huarui Offer Period and up to the Latest Practicable Date, which are or may be material in relation to the business of the Company as a whole:

- (i) the framework agreement entered into between the Company and COFCO on 7 November 2023 in relation to the supply of IT software, IT facilities, IT services, market consulting services and leasing by COFCO and its subsidiaries to the Group for the two years ending 31 December 2025 at the annual amount of not more than RMB6,500,000;
- (ii) the framework agreement dated 12 January 2023 entered into among COFCO Packaging Limited (a wholly owned subsidiary of the Company), Haoneng (HK) Limited and ORG Development, pursuant to which the parties agreed to incorporate a joint venture in Hong Kong, each of COFCO Packaging Limited, Haoneng (HK) Limited and ORG Development should contribute Euro 8,920,000, Euro 6,690,000 and Euro 6,690,000 into the joint venture; and
- (iii) the 2022 financial services agreement dated 31 October 2022 entered into among the Company, CPMC Investment Co., Ltd. (a wholly-owned subsidiary of the Company) and COFCO Finance Company Limited (“**COFCO Finance**”, a wholly-owned subsidiary of COFCO), pursuant to which COFCO Finance agreed to provide to the Group deposit services, loan services, entrustment loan services and other financial services for a term of three years at the annual cap of RMB900,000,000 (for deposit services) and RMB4,000,000 (for the entrustment loan services and other financial services), respectively.

6. ARRANGEMENT AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (i) no benefit was or will be given to any Director as compensation for loss of office or otherwise in connection with the Huarui Offer;
- (ii) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Huarui Offer or otherwise connected with the Huarui Offer; and
- (iii) there were no material contracts entered into by Huarui in which any Director has a material personal interest.

7. UNDERSTANDING, ARRANGEMENT, AGREEMENT OR SPECIAL DEAL

As at the Latest Practicable Date, there was no understanding, arrangement or agreement or special deal between any Shareholder on the one hand, and the Company, its subsidiaries or associated companies on the other hand.

8. DIRECTOR'S SERVICE AGREEMENTS

As at the Latest Practicable Date, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the Huarui Offer Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors had any existing or proposed service contract with any member of the Group or any associated companies of the Company which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

9. EXPERT AND CONSENT

The following are the qualifications of the expert contained in this Huarui Offer Document:

Name	Qualification
Somerley	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Huarui Offer Independent Financial Adviser to the Huarui Offer Independent Board Committee in respect of the Huarui Offer

The above expert has given and has not withdrawn its written consent to the issue of this Huarui Offer Document with the inclusion herein of its letter, and the reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, the above expert does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. MISCELLANEOUS

- (i) As at the Latest Practicable Date, the Company's registered office is at 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.
- (ii) As at the Latest Practicable Date, the secretary of the Company is Mr. Yim Ming Chung. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.
- (iii) As at the Latest Practicable Date, the Company's share registrar is Computershare Hong Kong Investor Services Limited, whose business address is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iv) As at the Latest Practicable Date, the Huarui Offer Independent Financial Adviser's registered office is at 20/F, China Building, 29 Queen's Road Central, Hong Kong.
- (v) The English texts of this Huarui Offer Document shall prevail over the Chinese texts in case of inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection on the website of the Company at www.cofco-pack.com and the website of the SFC at www.sfc.hk from the date of this Huarui Offer Document up to and including the final Huarui Offer Closing Date:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023;
- (c) the interim report of the Company for the six months ended 30 June 2024;
- (d) the “Letter from the Board”, the text of which is set out on pages 25 to 31 of this Huarui Offer Document;
- (e) the “Letter from the Huarui Offer Independent Board Committee”, the text of which is set out on pages 32 to 33 of this Huarui Offer Document;
- (f) the “Letter from the Huarui Offer Independent Financial Adviser”, the text of which is set out on pages 34 to 62 of this Huarui Offer Document;
- (g) the material contracts referred to in the section headed “5. Material Contracts” in this Appendix IV; and
- (h) the written consent referred to in the section headed “9. Expert and Consent” in this Appendix IV.