SUMMARY

OVERVIEW

We are mainly engaged in the manufacturing of packaging products for consumer goods such as food, beverages and household chemical products and are the largest manufacturer in the PRC metal packaging industry. In addition, we provide comprehensive packaging solutions, including high-tech packaging design, printing, shipment and overall customer services. Our growth rate has significantly outpaced the average growth rate of the PRC packaging industry in terms of sales revenue. We aim to be a leading manufacturer of packaging products for a comprehensive range of consumer goods. Our products mainly include three-piece beverage cans, food cans, aerosol cans, metal caps, printed and coated tinplates and steel barrels. We conduct our business through 11 operating subsidiaries and their branches, which are strategically located in different parts of China to effectively serve our customers. We have a well-established customer base comprising domestically and internationally recognized high-end manufacturers of consumer products. According to the CPF Report, we ranked first in 2008 in terms of sales revenue in the PRC metal packaging industry and our key products of three-piece beverage cans, milk powder cans, aerosol cans and twist caps all ranked first in terms of sales revenue in their respective sectors in China.

Our products consist of the following:

- **Three-piece beverage cans** — tinplate cans with easy-open ends for packaging tea drinks, protein drinks, energy drinks, congees, fruit and vegetable juices and coffee drinks;
- **Food cans** — milk powder cans mainly for packaging milk powder, nutrition powder and seasonings; and general food cans mainly for packaging processed food, such as fruit, vegetables, meat and seafood;
- **Aerosol cans** — aerosol cans mainly for packaging household chemical products, such as air fresheners, personal care products and insecticides and other chemical products, such as auto-care products and construction glues;
- **Metal caps** — twist caps mainly for glass jars for packaging vegetables, fruit and seasonings; crown caps for bottles of beer, carbonated drinks and other drinks; and easy-open ends for three-piece beverage cans and two-piece beverage cans;
- **Printed and coated tinplates** — printed and coated tinplates for other manufacturers to produce metal containers, batteries, other electrical items and electrical appliances, such as rice cookers;
- **Steel barrels** — 200-liter or larger steel barrels mainly for the storage of bulk edible oil, fruit juice, jam, fragrance and flavoring substances for industrial use and lubricating oil; and
- **Others** — mainly plastic containers, rectangular cans, miscellaneous cans for small-pack edible oil, alcohol, tea, solid food, such as cookies, confectionary and chocolate, stationery and toys.

We are in the process of expanding our product range to include two-piece beverage cans for packaging carbonated drinks, tea drinks and beer. We also intend to further expand our existing plastic packaging business and to enter into paper packaging business at the appropriate time.

Our customer base comprises manufacturers of food, beverages and household chemical products. Approximately 98.4% of our revenue in 2008 was generated from sales in China. We also export, either directly or indirectly through our distributors, some of our twist caps, food cans and aerosol cans to Oceania and a number of countries in Asia and Europe.

Our customers include domestically and internationally recognized beverage and household chemical companies that manufacture and sell brand name products in China. During the period from January 1, 2008 to June 30, 2009, we served over 1,800 customers. Sales to our five largest customers accounted for 46.0%, 51.5%, 56.2% and 56.6% of our revenue for 2006, 2007, 2008 and the six months ended June 30, 2009, respectively. We purchase most of our raw materials from domestic suppliers, with tinplates as our principal raw material. Purchases from our five largest suppliers accounted for 48.4%, 50.6%, 60.0% and 57.2% of our total purchases for 2006, 2007, 2008 and the six months ended June 30, 2009, respectively.

We rely heavily on our major customers, who accounted for a considerable percentage of our revenue during the Track Record Period, and any significant reduction in sales to or the loss of any of our major customers, especially our largest customer, JDB, could materially and adversely affect our profitability and results of operations. For 2006, 2007, 2008 and the six months ended June 30, 2009, sales to JDB were RMB784.0 million, RMB1,209.9 million, RMB1,603.7 million and RMB821.8 million, respectively, and accounted for 37.7%, 44.2%, 47.9% and 49.5% of our revenue, respectively. While this business model poses potential risks for us, it has been an integral part of our competitive strategy to leverage our leading market positions, strong customer services and economies of scale to cultivate high-end customers so as to grow our earnings cost-effectively.

Our business experienced remarkable growth in recent years, although the growth rates of some of our operating indicators have moderated since 2008 mainly as a result of the global financial crisis. Our revenue increased from RMB2,077.5 million in 2006 to RMB2,739.5 million in 2007 and further increased to RMB3,349.5 million in 2008, representing a CAGR of 27.0% for the three-year period ended December 31, 2008, which significantly outpaced the CAGR of approximately 11.8% of China's packaging industry. For each of the years ended December 31, 2006, 2007 and 2008, our net profit attributable to equity holders was RMB47.0 million, RMB88.0 million and RMB92.5 million, respectively, representing a CAGR of 40.3%. Despite the global financial crisis which caused our revenue to decline slightly by 4.6% to RMB1,660.2 million for the six months ended June 30, 2009 as compared to the same period in 2008, our business has nevertheless remained generally steady. Our net profit attributable to equity holders increased by 13.8% to RMB91.4 million for the six months ended June 30, 2009 as compared to the same period in 2008.

Impact of the Global Economic Crisis

Our business is not completely insulated from the global economic crisis because some of our customers are engaged in the export business and a small portion of our products are exported. Further, the domestic economy is intricately linked to the global economy to some extent. As a result, some aspects of our business were affected by the global economic crisis. For instance, in the last quarter of 2008, some of our three-piece beverage can customers postponed their purchases; selling prices of our steel barrels fetched a lower price than expected; and sales of aerosol cans and twist caps to customers engaging in the export business significantly decreased. At the same time, the cost of tinplates remained relatively high in the last quarter of 2008, which created pressure on our gross margins. For the foregoing reasons, our revenue and gross profit in 2008 grew at slower rates compared with 2007. The economic slowdown continued in the first quarter of 2009 and affected the operating results of some of our product groups. For instance, sales revenue of our metal caps, food cans and aerosol cans decreased from RMB367.0 million, RMB102.6 million and RMB217.4 million for the six months ended June 30, 2008 to RMB259.2 million, RMB95.7 million and RMB166.9 million for the same period in 2009, respectively.

However, the impact of such economic slowdown on our overall business and financial condition has been limited as compared with domestic manufacturers focusing on exports. In addition, we have adopted a number of proactive measures to minimize the impact of the economic slowdown. For instance, during the first half of 2009, we reduced sales of selected products to customers with longer payment terms to minimize collection risk for our accounts receivable. We believe that we have been less affected by the global financial crisis for the following three reasons. First, most of our customers are manufacturers of consumer products for daily necessities, the consumption of which has not substantially decreased in an economic slowdown. Second, the decrease in the price of raw materials, including tinplates, the key raw material for our production, in the first half of 2009 has significantly reduced our production costs, whereby improving profit margin of some of our products. Third, in light of the increasingly stringent regulatory requirements over food quality, safety and hygiene, we, as the largest manufacturer in the PRC metal packaging industry, believe we are in a better position to compete with our peers during an economic slowdown.

OUR COMPETITIVE STRENGTHS

We believe that our success to date and potential for future growth are attributable to our competitive strengths, which include the following:

- The Largest Manufacturer of Metal Packaging Products Mainly Serving Fast-moving Consumer Products, with Leading Market Positions across Various Product Sectors;
- Comprehensive Customer Services and Solid Base of High-end Customers;
- Diversified and Complementary Product Portfolio and Strategically Located Production Facilities;
- Unique Relationship with COFCO Group;
- Strong Research and Development Capabilities with Active Participation in Setting Industry Standards;
- Experienced Management Team with a Proven Record of Successful Acquisitions and Integrations; and
- Effective Cost Control System.

OUR BUSINESS STRATEGIES

Our principle goal is to become a leading manufacturer of packaging products for a comprehensive range of consumer goods. We plan to further strengthen our leading position, to increase market shares of our existing packaging products, to expand into new regional markets and new businesses, especially packaging businesses for fast-moving consumer goods. Building on the strategy of COFCO in offering a complete industrial chain of cereal, oil and foodstuff products — “From Origination to Consumption” (“從田間到餐桌“), we strive to produce high-quality packaging products not only for our existing and potential customers but also for businesses within such industrial chain. We aim to achieve these goals by implementing the following strategies:

- Continue Our Mergers and Acquisitions Strategy and Expand into New Businesses;
- Continue to Develop New Regional Markets, Strengthen Relationship with Our Existing Customers and Acquire New Customers;
- Increase Investment in Research and Development to Improve Product Quality and Develop New Products;
- Enhance Internal Management, Reduce Costs and Improve Profitability; and
- Attract and Retain Qualified Personnel and Develop Human Resources.

THE REORGANIZATION

Our Company was incorporated in Hong Kong on October 25, 2007 and became an indirect wholly-owned subsidiary of COFCO on February 15, 2008. Our Company will be the overseas listed flagship of COFCO for its packaging business.

In preparation for the [●], COFCO and its subsidiaries underwent the Reorganization pursuant to which the nine operating companies within COFCO Group engaging in the packaging business, namely CPMC (Tianjin), Hangzhou CPMC, CPMC (Zhenjiang), Panyu MCP, Zhangjiagang CPMC, CPMC (Chengdu), Hangzhou COFCO-MC, Wuxi Huapeng and CPMC (Wuhan), became our subsidiaries, and the steel barrel and rectangular can businesses of two subsidiaries and an associate of China Agri, namely Eastbay, East Ocean and Northsea, respectively, were acquired by Zhangjiagang CPMC. We also established two wholly-owned operating subsidiaries to engage in the packaging business, namely Shenzhen CPMC and Hangzhou CPMC Canmaking.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following table presents a summary of our consolidated income statements as a group for the years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2008 and 2009, respectively. The summary of our consolidated income statements are derived from, and should be read in conjunction with, our audited financial statements included in the Accountants' Report set forth in Appendix I to this document. Our financial statements have been prepared in accordance with HKFRS.

Consolidated Income Statements

	Year ended December 31,			Six months ended June 30,	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenues	2,077,530	2,739,518	3,349,494	1,740,384	1,660,219
Cost of sales	(1,823,005)	(2,402,226)	(2,950,436)	(1,513,385)	(1,423,419)
Gross profit	254,525	337,292	399,058	226,999	236,800
Other gains — net	1,318	12,799	(6,710)	1,286	11,029
Selling and marketing expenses	(91,999)	(111,670)	(101,218)	(50,981)	(56,493)
Administrative expenses	(61,636)	(88,960)	(123,952)	(55,001)	(59,297)
Operating profit	102,208	149,461	167,178	122,303	132,039
Finance income	1,619	2,858	3,036	1,439	1,438
Finance costs	(19,843)	(23,721)	(45,624)	(10,644)	(25,155)
Finance costs — net	(18,224)	(20,863)	(42,588)	(9,205)	(23,717)
Profit before income tax	83,984	128,598	124,590	113,098	108,322
Income tax expense	(15,264)	(24,650)	(26,440)	(25,941)	(14,071)
Profit for the year/period	68,720	103,948	98,150	87,157	94,251
Attributable to:					
Equity holders of the Company	46,977	87,988	92,462	80,261	91,364
Minority interests	21,743	15,960	5,688	6,896	2,887
	68,720	103,948	98,150	87,157	94,251
Dividend	—	—	—	—	95,000
Earnings per share	7,830	14,665	15,410	13,377	15,277

SUMMARY HISTORICAL OPERATING DATA

The following table presents our total revenue for the years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2008 and 2009, respectively.

	Year ended December 31,			Six months ended June 30,	
	2006	2007	2008	2008	2009
Revenue	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Three-piece beverage cans	862,035	1,314,430	1,764,033	841,495	912,492
Food cans	88,092	173,043	222,454	102,622	95,716
Aerosol cans	270,304	296,535	303,453	217,359	166,925
Metal caps	418,020	589,941	675,547	366,987	259,203
Printed and coated tinplates	126,449	142,466	168,485	78,548	82,638
Steel barrels	144,895	133,639	121,498	77,117	69,316
Others	167,735	89,464	94,024	56,256	73,929
Total	**2,077,530**	**2,739,518**	**3,349,494**	**1,740,384**	**1,660,219**

PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2009

For the year ending December 31, 2009

Forecast consolidated profit attributable to equity holders of our Company (1) . . . . Not less than RMB[●] million (HK$[●] million)

(1) The bases on which the above profit forecast has been prepared are summarized in Appendix III to this document. The forecast consolidated profit attributable to equity holders of our Company for the year ending December 31, 2009 has been prepared based on the audited consolidated results for the six months ended June 30, 2009, the unaudited consolidated results based on management accounts of our Group for the two months ended August 31, 2009 and a forecast of the consolidated results of our Group for the remaining four months ending December 31, 2009. The forecast has been prepared on a basis consistent in all material respects with the accounting policies presently adopted by our Group as set out in Note 3 of Section II of the Accountants' Report, the text of which is set out in Appendix I to this document. The above profit forecast has also been prepared based on forecast revenue to be derived from sales of milk powder cans with the expected effect, if any, on our Group arising from the discovery of melamine contamination in milk powder products in China in September 2008 taken into account.

DIVIDEND POLICY

On September 18, 2009, our Board declared an interim dividend of RMB95,000,000 for the year ending December 31, 2009. Such interim dividend was paid to COFCO (HK), the then sole shareholder of our Company, prior to [●]. Our historical dividend payment should not be taken as an indication of our future ability to pay dividends and there can be no assurance that we will declare dividends in the future.

After completion of the [●], our shareholders will be entitled to receive dividends declared by us. Dividend payments are discretionary and will be subject to the recommendation of our Board and approval of our shareholders in general meetings in accordance with our Articles of Association. Our dividend payment amounts, if any, for a given year will be dependent upon our future results of operations, financial condition, capital requirements, legal and contractual restrictions and other factors that our Board may deem relevant. In addition, our controlling shareholders, subject to our Articles of Association, may influence our dividend policy.

Considering our financial position, we currently intend, in the absence of any circumstances that might reduce the amount of distributable profits whether by losses or otherwise, to distribute dividends that would amount in total to not less than 20% of the net profit available for distribution from ordinary activities attributable to equity holders of our Company for each of the years ending December 31, 2009 and 2010. Such intention does not amount to any guarantee or representation or indication that our Company must or will declare and pay a dividend in such manner or declare and pay any dividend at all. After completion of the [●], priority will be given to retained earnings in order to facilitate capital growth and expansion of our Group. Cash dividends on the shares, if any, will be paid in HK dollars.

We are a holding company incorporated in Hong Kong and conduct our core business operations through our operating subsidiaries in China. Therefore, our profits available for dividend distributions are dependent on the profits available for distribution from our PRC subsidiaries. The PRC laws permit payment of dividends only out of net income as determined in accordance with PRC accounting standards and regulations. Our PRC subsidiaries are required to set aside a portion of their net income each year to fund designated statutory reserve funds in connection with certain mandatory social welfare programs. These reserves are not distributable as cash dividends. As a result, our primary source of funds for dividend payments is subject to these and other legal restrictions and uncertainties.

You should carefully read all of the information in this document including the risks and uncertainties described below. The business, financial condition or results of operations of our Group could be materially adversely affected by any of these risks.

RISK FACTORS

There are numerous risks involved in our operations. These risks can be categorized into (i) risks relating to our business; (ii) risks relating to the industry in which we operate; (iii) risks relating to conducting business in China; and (iv) risks relating to the [●] and our shares. A detailed discussion of the risk factors are set forth in the section headed "Risk Factors" in this document. The following is a list of the risk factors:

Risks relating to our business

- Our failure to implement our future expansion plans in time, within budget, or at all, or our failure to obtain the anticipated benefits from our expansion would have a material adverse effect on our financial condition and results of operations, as well as the growth of our sales and earnings.
- Any shortage of raw material supplies or fluctuation in the prices of our raw materials may adversely impact our profit margins and results of operations.
- The global financial markets have experienced significant deterioration and volatility recently, which has negatively impacted the global economy and may adversely affect our financial condition and results of operations.
- We rely heavily on our major customers and, in particular, our largest customer. Any significant reduction in sales to or the loss of any of our major customers could materially and adversely affect our profitability and results of operations.
- Insufficiency in production capacity for some of our products could result in a loss of sales or decline in profit, as well as damage to our reputation.
- Our inability to adequately protect our intellectual property, or any disputes arising from a third-party claim for the infringement of its intellectual property, could adversely affect our business operations and profitability.
- Our failure to accurately anticipate the demand of our existing and potential customers as well as changes in packaging trends and to adjust our production capacity accordingly could adversely affect our financial condition and results of operations.
- Our insurance may not be sufficient to cover the risks connected with our operations and potential losses.
- We require a considerable amount of working capital and may be unable to adequately finance such capital needs through cash generated from our operations and short-term bank borrowings.
- Our failure to retain key management and personnel could adversely affect our ability to implement our business strategy.
- Our controlling shareholders have the ability to exercise substantial control over us, which allows them to influence our business in ways which may not be in the best interests of our other shareholders.
- Any disruption to or shortage of utilities may harm our business operations and financial results.

- Any past failure to obtain certain approvals required to establish our operating subsidiaries, or any loss of or failure to obtain or renew any or all of the licenses and permits to operate our business or certifications relating to quality control could materially and adversely affect our business, financial condition and results of operations.
- Certain defects in title to the properties owned or leased by us in the PRC may adversely affect our right to use such properties.
- We rely on dividend payments from our subsidiaries located in the PRC for funding our dividend payments, servicing our indebtedness and meeting our working capital and other capital needs.
- Our current dividend policy and our historical dividend payment should not be taken as an indication of our future ability to pay dividends and we may not be able to pay any dividends in the future.

Risks relating to the industry in which we operate

- Our business and reputation may be adversely affected by potential product liabilities, product defects, consumer complaints or claims or negative publicity in relation to our products, as well as boycotts against products made in China involving our customers' products.
- Our failure to compete with our domestic and international competitors could lead to a loss of sales or decline in our profitability.
- Alternative packaging products or changes in consumption patterns could undermine the competitiveness of our main products, which could result in reduced sales or profit.
- A portion of our products are affected by seasonal factors and our quarterly results may fluctuate.

Risks relating to conducting business in China

- Changes in China's economic, political and social conditions and government policies may have an adverse effect on us.
- Any significant change in, or promulgation of, laws and regulations may increase our costs of production, and our failure to comply with any of these developments could result in legal liabilities for us.
- The PRC legal system embodies uncertainties that could adversely affect our business and results of operations.
- The implementation of the newly enacted PRC tax law and its implementation regulations may significantly increase our income tax expenses.
- It may be difficult to effect service of process or to enforce foreign judgments in the PRC.
- Changes in foreign exchange regulations and fluctuations in the value of the Renminbi could have an adverse effect on our financial results and our ability to distribute dividends.
- We face risks related to natural disasters, acts of war, political unrest, health epidemics and other outbreaks.
- We cannot guarantee the accuracy of facts and statistics with respect to China contained in this document, the reliability of which cannot be assumed or assured.

SUMMARY

- Forward-looking statements contained in this document are subject to risks and uncertainties.
- You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or disseminated through other media relating to us and/or the [●], some of which may not be consistent with the information contained in this document.