

HISTORY AND REORGANIZATION

CORPORATE HISTORY

Our Company was incorporated in Hong Kong on October 25, 2007 and became a direct wholly-owned subsidiary of COFCO (HK) on February 15, 2008. COFCO (HK) is an investment holding company incorporated in Hong Kong on August 14, 1981, and a wholly-owned subsidiary of COFCO. Our Company will be the overseas listed flagship of COFCO for its packaging business.

COFCO is a state-owned company in China, which commenced business in 1952. COFCO has been listed in Fortune's Global Top 500 Companies consecutively since 1994, and is one of the 132 enterprises under the direct purview of the SASAC. COFCO is currently engaged in a wide array of businesses, including agricultural commodities trading and agricultural products processing, food and beverages, real estate development, hotel management, logistics, native produce and animal by-products, financial services and, through our Company, packaging products.

We conduct our packaging business through 11 operating subsidiaries in China, namely CPMC (Tianjin), Hangzhou CPMC, Panyu MCP, CPMC (Chengdu), Hangzhou COFCO-MC, Wuxi Huapeng, CPMC (Zhenjiang), Zhangjiagang CPMC, CPMC (Wuhan), Shenzhen CPMC and Hangzhou CPMC Canmaking.

Our packaging business dates back to 1991 when Wuxi Huapeng was established to engage in the production of twist caps and crown caps. In 1992, Hangzhou COFCO-MC was established to engage in the production of metal cans and printed and coated tinplates. Hangzhou COFCO-MC has been designated by CPF as the "Development and Production Base for Printed Tinplate Packaging Containers in the PRC", one of the national level production bases in the packaging industry, since 2001. Currently, it is the only national development and production base in the PRC metal packaging industry.

In 2002, we acquired Panyu MCP to produce metal cans and printed and coated tinplates and to develop the market in southern China. In 2005, Hangzhou CPMC was established to further facilitate our packaging business. In 2006, CPMC (Tianjin) was established as our production base and service center in northern China, which further enhanced our business. In 2006, we acquired Zhangjiagang CPMC, a company engaged in the production of beverage cans, and Zhangjiagang CPMC became another subsidiary of our Company. In the same year, we extended our business coverage to the southwestern regions of China by establishing CPMC (Chengdu) as our production base and service center in southwestern China and, in 2007, CPMC (Zhenjiang) became one of our subsidiaries, thereby extending our Company's business to the manufacturing of easy-open ends. In 2008, we further expanded our business operations to include the production of steel barrels and rectangular cans as a result of the Steel Barrel Business Acquisitions by Zhangjiagang CPMC.

Subsequent to the completion of the Steel Barrel Business Acquisitions on June 28, 2008, Zhangjiagang CPMC entered into temporary arrangements with Eastbay, East Ocean and Northsea. Pursuant to such arrangements, Zhangjiagang CPMC leased to Eastbay, East Ocean and Northsea the equipment and production facilities relating to the steel barrel business for use in production by Eastbay, East Ocean and Northsea at the rent of approximately RMB302,000, RMB374,000 and RMB241,000, respectively, up to August 31, 2008, pending its preparation for commencement of the steel barrel business at its respective branches in Guangzhou, Zhangjiagang and Tianjin, including the application for the requisite license for engaging in the production of steel barrels used for packaging hazardous chemical materials. After the conclusion of such temporary arrangements, Eastbay, East Ocean and Northsea transferred to Zhangjiagang CPMC all the remaining raw materials and inventories obtained or produced by them relating to the steel barrel business during the transition period. Zhangjiagang CPMC commenced the production of steel barrels at its Guangzhou, Zhangjiagang and Tianjin branches on September 1, 2008.

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In September 2008, CPMC (Wuhan) was established to produce metal cans, and in November 2008, Shenzhen CPMC was established to mainly engage in the production of milk powder cans and chemical cans. In December 2008, we also established Hangzhou CPMC Canmaking to manufacture two-piece beverage cans. We are in the process of installing one production line for the manufacturing of two-piece beverage cans in Hangzhou CPMC Canmaking and expect to commence commercial production by the end of 2009.

REORGANIZATION

In preparation for the Global Offering, COFCO and its subsidiaries underwent the Reorganization pursuant to which the nine 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 subsidiaries to engage in the packaging business, namely Shenzhen CPMC and Hangzhou CPMC Canmaking.

Set out below are the major steps of the Reorganization:

- (a) on December 13, 2007, COFCO No. 33 acquired from True Friendship Limited one share of HK\$1.00, representing the entire issued share capital of CPMC (HK), for a consideration of HK\$1.00, which has been fully paid in cash;
- (b) on December 13, 2007, COFCO No. 86 acquired from True Friendship Limited one share of HK\$1.00, representing the entire issued share capital of COFCO-MC (HK), for a consideration of HK\$1.00, which has been fully paid in cash;
- (c) on the dates noted below, CPMC (HK) acquired the following interests from various indirect wholly-owned subsidiaries of COFCO (HK) for the following consideration:
 - (i) on December 27, 2007, 100% equity interest in CPMC (Chengdu) from COFCO No. 39 for a consideration of US\$10,000,000 based on the original investment cost to CPMC (Chengdu), which consideration has not been settled by CPMC (HK);
 - (ii) on December 28, 2007, 100% equity interest in CPMC (Tianjin) from COFCO No. 33 for a consideration of US\$20,000,000, satisfied by the allotment and issue by CPMC (HK) to COFCO No. 33 of one share of HK\$1.00, credited as fully paid;
 - (iii) on December 29, 2007, 100% equity interest in Hangzhou CPMC from COFCO No. 33 for a consideration of US\$30,000,000, satisfied by the allotment and issue by CPMC (HK) to COFCO No. 33 of one share of HK\$1.00, credited as fully paid;
 - (iv) on December 29, 2007, 100% equity interest in Panyu MCP from COFCO No. 34 for a consideration of US\$11,743,861.5 based on the original purchase cost, which consideration has not been settled by CPMC (HK); and
 - (v) on December 29, 2007, 25% equity interest in CPMC (Zhenjiang) from COFCO No. 86 for a consideration of US\$2,035,684 based on the original purchase cost, which consideration has not been settled by CPMC (HK);
- (d) on January 23, 2008, Hangzhou CPMC acquired an 8.8% equity interest in Zhangjiagang CPMC from COFCO Tunhe Kuitun for a consideration of RMB2,977,300 based on the net asset value of Zhangjiagang CPMC, which has been fully paid in cash;
- (e) on February 15, 2008, COFCO (HK) acquired from True Friendship Limited one share of HK\$1.00, representing the entire issued share capital of our Company, for a consideration of HK\$1.00, which has been fully paid in cash;

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- (f) on April 29, 2008, our Company acquired from COFCO (HK) one share of US\$1.00, representing the entire issued share capital of COFCO No. 86, and shareholder's loans in the respective amounts of US\$8,537,990.6 and HK\$56,056.8, in consideration of and in exchange for the allotment and issue by our Company to COFCO (HK) of one share of HK\$1.00, credited as fully paid;
- (g) on April 29, 2008, Hangzhou CPMC acquired a 40% equity interest in CPMC (Zhenjiang) from Zhenjiang Huading Packaging Industries Development Co. Ltd., an independent third party, for a consideration of RMB28,250,000 based on the net asset value of CPMC (Zhenjiang) and on arm's length negotiations, which has been fully paid in cash;
- (h) on May 19, 2008, CPMC (HK) subscribed for an additional equity interest in the amount of US\$3,500,000 in CPMC (Zhenjiang), thereby increasing its equity interest in CPMC (Zhenjiang) from 25% to 50.61% and diluting the equity interest of Hangzhou CPMC in CPMC (Zhenjiang) from 75% to 49.39%;
- (i) on May 20, 2008, COFCO injected its 43.08% equity interest in Wuxi Huapeng to COFCO-MC (HK) for nil consideration as a direct injection by a wholly state-owned enterprise to its wholly-owned subsidiary;
- (j) on May 20, 2008, COFCO-MC (HK) acquired an 18.4% equity interest in Wuxi Huapeng from TG (London) for a consideration of HK\$34,190,000 based on the net asset value of Wuxi Huapeng, which became payable by COFCO-MC (HK) to our Company upon completion of steps (n) and (q) below;
- (k) on May 22, 2008, COFCO injected its 75% equity interest in Hangzhou COFCO-MC to COFCO-MC (HK) for nil consideration as a direct injection by a wholly state-owned enterprise to its wholly-owned subsidiary;
- (l) on May 22, 2008, COFCO-MC (HK) acquired a 25% equity interest in Hangzhou COFCO-MC from COFCO No. 86 for a consideration of US\$8,537,891.6, satisfied by the allotment and issue by COFCO-MC (HK) to COFCO No. 86 of one share of HK\$1.00, credited as fully paid;
- (m) on June 28, 2008, Zhangjiagang CPMC acquired the steel barrel and rectangular can businesses from two subsidiaries and an associate of China Agri, namely Eastbay, East Ocean and Northsea, for a consideration of RMB12,458,013.8, RMB19,809,744.6 and RMB12,293,528.8, respectively, based on the asset value of the machinery and equipment and the book value of the inventory and raw materials of each company and on arm's length negotiations, which has been fully paid in cash;
- (n) on August 28, 2008, TG (London) assigned to COFCO (HK) all its rights, title, interest and benefit in and to the receivable in the sum of HK\$34,190,000 due by COFCO-MC (HK) to TG (London) in step (j) above for a consideration of HK\$1.00 based on agreed value, which has been paid in cash;
- (o) on August 31, 2008, COFCO No. 33 allotted and issued to COFCO (HK) one share of US\$1.00, credited as fully paid, in full settlement of the shareholder's loans in the respective amounts of US\$73,784,545.5 and HK\$126,332.1;
- (p) on September 8, 2008, CPMC (Wuhan) was incorporated in the PRC and was 100% held by CPMC (HK);
- (q) on October 17, 2008, our Company acquired from COFCO (HK) all the rights, title, interest and benefit in and to the receivable in the sum of HK\$34,190,000 due by COFCO-MC (HK) to COFCO (HK) in step (n) above in consideration of and in exchange for the allotment and issue by our Company to COFCO (HK) of one share of HK\$1.00, credited as fully paid;

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- (r) on November 14, 2008, our Company acquired from COFCO (HK) two shares of US\$1.00 each, representing the entire issued share capital of COFCO No. 33, in consideration of and in exchange for the allotment and issue by our Company to COFCO (HK) of one share of HK\$1.00, credited as fully paid;
- (s) on November 14, 2008, our Company acquired from COFCO (HK) one share of US\$1.00, representing the entire issued share capital of COFCO No. 34, in consideration of and in exchange for the allotment and issue by our Company to COFCO (HK) of one share of HK\$1.00, credited as fully paid;
- (t) on November 14, 2008, our Company acquired from COFCO (HK) one share of US\$1.00, representing the entire issued share capital of COFCO No. 39, in consideration of and in exchange for the allotment and issue by our Company to COFCO (HK) of one share of HK\$1.00, credited as fully paid;
- (u) on November 17, 2008, Shenzhen CPMC was incorporated in the PRC and was held as to 90% and 10% by Hangzhou CPMC and Panyu MCP, respectively;
- (v) on December 16, 2008, COFCO No. 39 acquired from True Friendship Limited one share of HK\$1.00, representing the entire issued share capital of Powerful Chance for a consideration of HK\$1.00, which has been fully paid in cash; and
- (w) on December 23, 2008, Hangzhou CPMC Canmaking was incorporated in the PRC and was 100% held by Powerful Chance.
- (x) on October 23, 2009, the authorized share capital of our Company was increased from HK\$10,000 to HK\$150,000,000 by the creation of an additional 149,990,000 shares of HK\$1.00 each and each of the then issued and unissued shares with a nominal value of HK\$1.00 each was subdivided into 10 shares with a nominal value of HK\$0.10 each; and
- (y) pursuant to the written resolutions of the sole shareholder passed on October 23, 2009, conditional on the share premium account of our Company being credited as a result of the Global Offering, the Directors were authorized to allot and issue an aggregate of 599,999,940 shares by way of capitalization of the amount of HK\$59,999,994 from the amount standing to the credit of the share premium account of our Company, details of which are set out in the paragraph above headed “Written resolutions of the sole shareholder of our Company passed on October 23, 2009”.

The considerations for the transactions described in steps (c)(ii), (c)(iii), (f), (l), (r), (s) and (t) above were settled by way of issuing new shares, as the transferors in such transactions were, at the time of the transactions, the immediate holding companies of the relevant transferees.

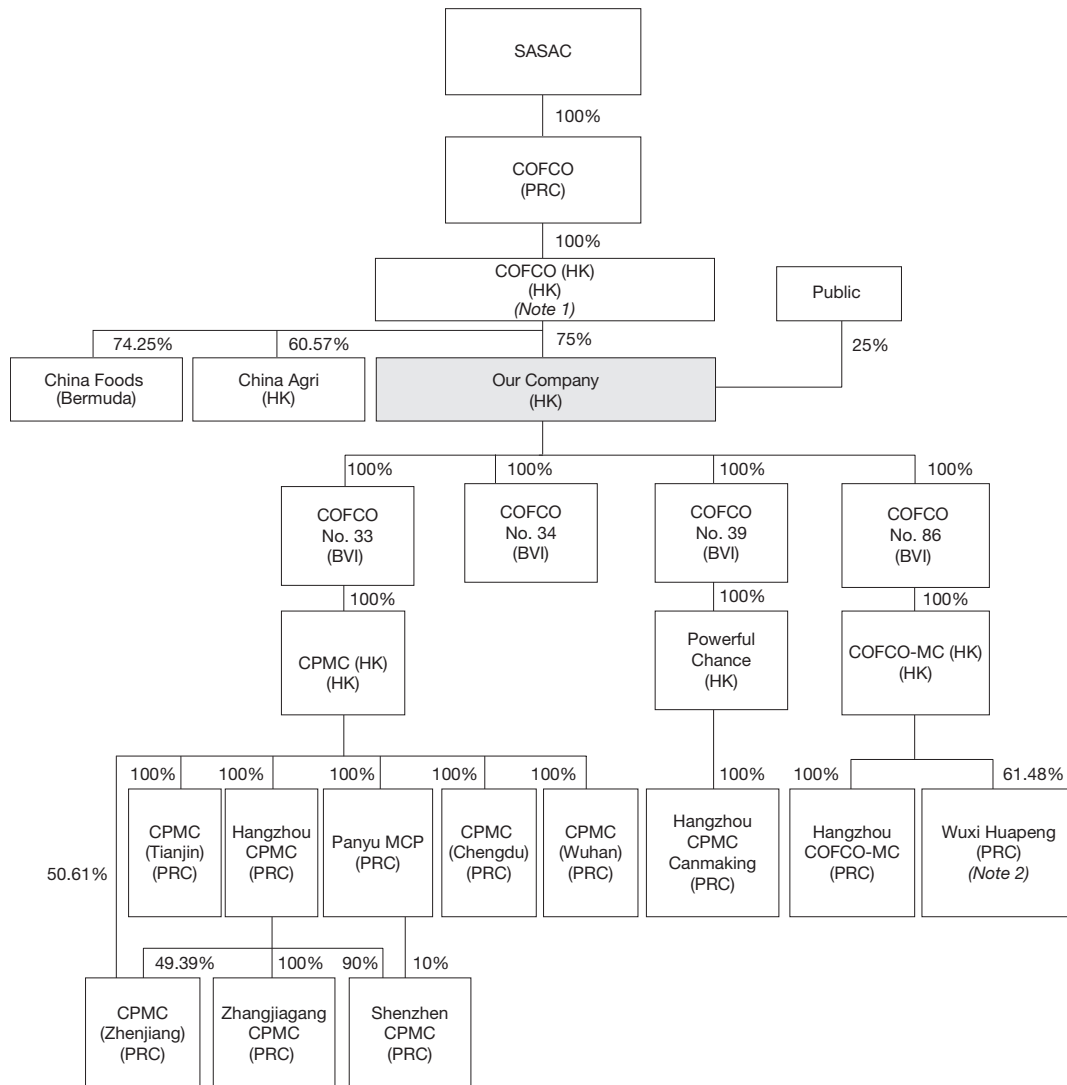
Our PRC Legal Advisor is of the opinion that the Reorganization and the Global Offering have complied with relevant PRC laws and regulations. As advised by our PRC Legal Advisor, save as disclosed in Note 3 under the subsection headed “Corporate Structure” below, our Company has obtained all necessary approvals, including but not limited to the approval by CSRC in relation to the Global Offering issued on September 28, 2008, in accordance with relevant PRC laws and regulations, including the Provisions for Foreign Investors to Merge and Acquire Domestic Enterprises, jointly issued by the Ministry of Commerce and five other ministries or commissions on August 8, 2006 and the Notice on Further Strengthening the Administration of Overseas Offering and Listing of Shares (國務院關於進一步加強在境外發行股票和上市管理的通知) promulgated by the State Council on June 20, 1997.

Further details of the Reorganization are set out in the section headed “Further Information about Our Company — The Reorganization” in Appendix VI to this prospectus.

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CORPORATE STRUCTURE

The following chart sets out the shareholding and corporate structure of our Group immediately upon completion of the Global Offering and the Capitalization Issue (assuming the Over-allotment Option is not exercised):



Notes:

- (1) COFCO (HK) is deemed to be interested in approximately 73.89% of the issued share capital of China Foods and approximately 53.47% of the issued share capital of China Agri in aggregate held by, among others, Wide Smart. COFCO (HK) is also deemed to be interested in approximately 75% of our issued share capital held by Wide Smart as a nominee shareholder upon completion of the Global Offering and the Capitalization Issue (assuming the Over-allotment Option is not exercised).
- (2) The remaining shareholding interest of Wuxi Huapeng is held as to 15.52% by Wuxi Caps, which is a collective-owned enterprise incorporated in the PRC, and 23% by Crown Asia Pacific Holdings Limited, which is a limited liability company incorporated in Singapore. Other than being substantial shareholders of Wuxi Huapeng, each of Wuxi Caps and Crown Asia Pacific Holdings Limited is an independent third party.
- (3) CPMC (Zhangjiagang) Development Co., Ltd., a Sino-foreign joint venture enterprise incorporated in the PRC on September 17, 2008, was held as to 55% and 45% by CPMC (HK) and Zhangjiagang CPMC respectively. However, CPMC (Zhangjiagang) Development Co., Ltd. has not commenced its business since its incorporation due to our Group's adjustment of business plan and is currently in the process of deregistration.