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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other independent professional adviser.

If you have sold or transferred all your shares in CPMC Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the CPMC Holdings Limited.



- (1) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**
**(2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF
NEW SHARES BY CONNECTED PERSONS**
**(3) SUBSCRIPTION OF NEW SHARES BY EMPLOYEE
SUBSCRIBERS AND**
(4) NOTICE OF EGM

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



A notice convening the EGM to be convened and held at 10:30 a.m. on Friday, 15 July 2016 at President Suite, World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong is set out on pages 51 to 54 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same with at the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong during regular business hours at least 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

27 June 2016

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DEFINITIONS

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

“Announcements”	the Company’s announcements dated 22 May 2016 and 24 May 2016
“Applicable Deductions”	the deduction of administrative expenses and any loss suffered by the Group due to the Employee Subscriber’s misconduct under the Employee Subscription Agreements
“associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Cheng Bincai”	Cheng Bincai, director of certain subsidiaries of the Company
“China Foods (Holdings)”	China Foods (Holdings) Limited, formerly known as COFCO (BVI) No. 108 Limited, a wholly owned subsidiary of COFCO
“Chosen Transferee”	a transferee chosen by the Board (or a committee nominated by the Board) under the Employee Subscription Agreements
“Closing Date”	the date of completion of the Subscriptions, which should be within seven business days after the date that the conditions of the Subscription Agreement have been fulfilled or waived, as the case may be, (or such other later date as the Company or the Connected Subscribers may agree in writing)
“COFCO”	COFCO Corporation (中糧集團有限公司), a wholly state-owned company established in the PRC currently under the purview of State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會), and the ultimate controlling shareholder of the Company
“COFCO Group”	COFCO and its subsidiaries other than the Group

DEFINITIONS

“Company”	CPMC Holdings Limited, a company incorporated with limited liability in Hong Kong, the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Connected Subscribers”	refer to Zhang Xin (Director and director of certain subsidiaries of the Company), Zhang Ye (director of certain subsidiaries of the Company), Shi Yu (director of certain subsidiaries of the Company), Lv Qing (director and supervisor of certain subsidiaries of the Company), Feng Ping (director and supervisor of certain subsidiaries of the Company), Cheng Bincai (director of certain subsidiaries of the Company), Zhao Wei (director of certain subsidiaries of the Company), Gu Xiao Lei (director of certain subsidiaries of the Company), Huang Jin (director of certain subsidiaries of the Company), Yang Xiaoyan (director of a subsidiary of the Company and supervisor of certain subsidiaries of the Company); and Yin Xiao Yu (supervisor of certain subsidiaries of the Company)
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreement, the Employee Subscription Agreements and the transactions contemplated thereunder (including the grant of the Specific Mandate in relation to Subscriptions and the Specific Mandate in relation to Employee Subscriptions)
“Employee Closing Date”	the date of completion of the Employee Subscription, which should be within seven business days after the date that the conditions of the Employee Subscription Agreements have been fulfilled or waived, as the case may be (or such other later date as the Company or the Employee Subscribers may agree in writing)
“Employee Independent Shareholders”	Shareholders other than the Employee Subscribers and their associates

DEFINITIONS

“Employee Lock-up Period”	the period during which the Employee Subscribers or its nominee is not permitted to sell, assign, transfer or otherwise dispose of any Employee Subscription Shares to any other person pursuant to the Employee Subscription Agreements
“Employee Lock-up Undertaking”	the undertaking by the each of the Employee Subscribers to the Company that, neither he/she or its nominee nor anyone acting on his/her behalf will, during the Employee Lock-up Period, sell, assign, transfer or otherwise dispose of any interest in any Employee Subscription Shares
“Employee Subscribers”	192 employees of the Group who entered into the Employee Subscription Agreements with the Company
“Employee Subscription Agreements”	the employee subscription agreements dated 24 May 2016 entered between the Company and each of the Employee Subscribers in connection with the Employee Subscriptions
“Employee Subscription Shares”	85,000,000 new Shares to be issued by the Company to the Employee Subscribers pursuant to the Employee Subscription Agreements
“Employee Subscriptions”	the subscription of the Employee Subscription Shares by the Employee Subscribers pursuant to the terms of the Employee Subscription Agreements
“Employees”	a maximum of 150 members of the senior management and employees who were offered to subscribe for Employee Subscription Shares at the Subscription Price on the same terms as the Subscription Agreement
“Feng Ping”	Feng Ping, director and supervisor of certain subsidiaries of the Company
“Group”	the Company and its subsidiaries
“Gu Xiao Lei”	Gu Xiao Lei, director of certain subsidiaries of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huang Jin”	Huang Jin, director of certain subsidiaries of the Company
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, namely Messrs. Cheng Yuk Wo, Fu Tingmei and Andrew Y. Yan, established for the purpose of advising the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than China Foods (Holdings), the Connected Subscribers and their respective associates
“Latest Practicable Date”	24 June 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained therein
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Period”	the period during which the Connected Subscribers or its nominee is not permitted to sell, assign, transfer or otherwise dispose of any Subscription Shares to any other person pursuant to the Subscription Agreement
“Lv Qing”	Lv Qing, director and supervisor of certain subsidiaries of the Company
“Oriental Patron” or “Independent Financial Adviser”	Oriental Patron Asia Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions by the Connected Subscribers

DEFINITIONS

“PRC”	the Peoples’ Republic of China, for the purpose of this circular, not including Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the 997,560,000 ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shi Yu”	Shi Yu, director of certain subsidiaries of the Company
“Specific Mandate in relation to Employee Subscriptions”	a specific mandate to be sought from the Employee Independent Shareholders at the EGM for the allotment and issue of 85,000,000 new shares for the Employee Subscriptions
“Specific Mandate in relation to Subscriptions”	a specific mandate to be sought from the Independent Shareholders at the EGM for the allotment and issue of 92,000,000 new shares for the Subscriptions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively the Connected Subscribers or the nominee acting on their behalf, and each a “Subscriber”
“Subscription Agreement”	the subscription agreement dated 22 May 2016 entered between the Company and each of the Connected Subscribers in connection with the Subscriptions
“Subscription Price”	HK\$2.6 per Subscription Share or Employee Subscription Share
“Subscription Shares”	92,000,000 new Shares to be issued by the Company to the Connected Subscribers pursuant to the Subscription Agreement
“Subscriptions”	the subscriptions of the Subscription Shares by the Connected Subscribers pursuant to the terms of the Subscription Agreement

DEFINITIONS

“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Unsubscribed Employee Subscription Shares”	3,360,000 outstanding Employee Subscription Shares not subscribed for under the original offer to the Employees, that were later offered to 42 additional employees of the Group on the same terms as the Employee Subscription Agreements
“Yang Xiaoyan”	Yang Xiaoyan, director of a subsidiary of the Company and supervisor of certain subsidiaries of the Company
“Yin Xiao Yu”	Yin Xiao Yu, supervisor of certain subsidiaries of the Company
“Zhang Xin”	Zhang Xin, an executive Director and Chairman of the Company, and director of certain subsidiaries of the Company
”Zhang Ye”	Zhang Ye, director of certain subsidiaries of the Company
“Zhao Wei”	Zhao Wei, director of certain subsidiaries of the Company
“%”	per cent.

LETTER FROM THE BOARD



Executive Directors:

Mr. Zhang Xin (*Chairman and Executive Director*)

Non-Executive Directors:

Mr. Wan Zaotian

Mr. Hu Yonglei

Mr. Zhou Yuan

Mr. Shen Tao

Independent Non-Executive Directors:

Mr. Cheng Yuk Wo

Mr. Fu Tingmei

Mr. Andrew Y. Yan

Registered Office:

33rd Floor, COFCO Tower

262 Gloucester Road

Causeway Bay

Hong Kong

27 June 2016

To the Shareholders

Dear Sir or Madam,

- (1) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**
- (2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF
NEW SHARES BY CONNECTED PERSONS**
- (3) SUBSCRIPTION OF NEW SHARES BY EMPLOYEE
SUBSCRIBERS AND**
- (4) NOTICE OF EGM**

1. INTRODUCTION

We refer to the Company's announcements dated 22 May 2016 and 24 May 2016 (the "**Announcements**") in which the Board announced that:

- (a) on 22 May 2016, the Company entered into the Subscription Agreement with each of the Connected Subscribers pursuant to which the Connected Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 92,000,000 Subscription Shares at the Subscription Price of HK\$2.6 per Subscription Share for an aggregate cash consideration of HK\$239,200,000, and

LETTER FROM THE BOARD

- (b) on 24 May 2016, the Company entered into the Employee Subscription Agreements with the Employee Subscribers pursuant to which the Employee Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, an aggregate of 85,000,000 Employee Subscription Shares at the Subscription Price of HK\$2.6 per Employee Subscription Share for an aggregate cash consideration of HK\$221,000,000.

The approval of the transactions contemplated under the Subscriptions and the Employee Subscriptions at the EGM are inter-conditional on each other.

The Independent Board Committee has been established to consider and advise the Independent Shareholders on the terms of the Subscription Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) details of the Subscriptions and Employee Subscriptions; (ii) a letter of advice from Oriental Patron to the Independent Board Committee and the Independent Shareholders in relation to the Subscriptions by the Connected Subscribers; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Subscriptions by the Connected Subscribers as well as voting at the EGM; and (iv) the notice of EGM to the Shareholders together with the proxy to the Independent Shareholders and the Employee Independent Shareholders to consider and if thought fit, to approve the Subscriptions and the Employee Subscriptions (as applicable) and the grant of the Specific Mandate in relation to Subscriptions and the Specific Mandate in relation to Employee Subscriptions.

2. SUBSCRIPTION AGREEMENT

Date:

22 May 2016

Parties:

- (i) the Company, as issuer of the Subscription Shares; and
- (ii) the Connected Subscribers, as subscribers of the Subscription Shares.

Subscription Shares:

92,000,000 Subscription Shares, representing:

- (a) approximately 9.2% of the Company's existing issued share capital as at the Latest Practicable Date;
- (b) approximately 8.4% of its issued share capital as enlarged by the Subscriptions only (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Subscription Agreement); and

LETTER FROM THE BOARD

- (c) approximately 7.8% of its issued share capital as enlarged by both the Subscriptions and the Employee Subscriptions (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Subscription Agreement and the Employee Subscription Agreements).

The Connected Subscribers shall collectively appoint a nominee to hold the Subscription Shares on their behalf, and shall procure that the nominee shall perform the closing obligations in accordance with the terms of the Subscription Agreement.

The details and names of the Connected Subscribers and the number of Subscription Shares to be subscribed by the Connected Subscribers under the Subscription Agreement are set out below:

Name of Subscriber	Position in the Group	No. of Subscription Shares subscribed	Cash consideration for Subscription Shares
<i>Connected Subscribers</i>			
Zhang Xin	Director and director of certain subsidiaries of the Company	25,000,000	HK\$65,000,000
Zhang Ye	director of certain subsidiaries of the Company	17,000,000	HK\$44,200,000
Shi Yu	director of certain subsidiaries of the Company	12,000,000	HK\$31,200,000
Lv Qing	director and supervisor of certain subsidiaries of the Company	9,000,000	HK\$23,400,000
Feng Ping	director and supervisor of certain subsidiaries of the Company	9,000,000	HK\$23,400,000
Cheng Bincai	director of certain subsidiaries of the Company	4,000,000	HK\$10,400,000
Zhao Wei	director of certain subsidiaries of the Company	4,000,000	HK\$10,400,000
Gu Xiao Lei	director of certain subsidiaries of the Company	4,000,000	HK\$10,400,000
Huang Jin	director of certain subsidiaries of the Company	3,000,000	HK\$7,800,000
Yang Xiaoyan	director of a subsidiary of the Company and supervisor of certain subsidiaries of the Company	3,000,000	HK\$7,800,000
Yin Xiao Yu	supervisor of certain subsidiaries of the Company	2,000,000	HK\$5,200,000
Total		<u>92,000,000</u>	<u>HK\$239,200,000</u>

LETTER FROM THE BOARD

Subscription Price:

The Subscription Price of HK\$2.6 per Subscription Share:

- (i) represents a discount of approximately 23% to the closing price of HK\$3.36 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) represents a discount of approximately 21% to the closing price of HK\$3.31 per Share as quoted on the Stock Exchange on the trading day immediately prior to the date of the Subscription Agreement;
- (iii) represents a discount of approximately 20% over the average closing price of approximately HK\$3.25 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iv) represents a discount of approximately 25% over the average closing price of approximately HK\$3.46 per Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined on an arm's length basis between the Company and with each Connected Subscriber with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable under the current market conditions and in light of the recent price performance of the Shares and the liquidity of the Shares.

The Directors also considered the factors reviewed by the Independent Financial Adviser who have taken into account (i) the financial performance of the Group; (ii) the Lock-up Period; (iii) the downward price trend of the Shares in the 12-month period up to the date of the Subscription Agreement; (iv) the illiquidity of the Shares in open market; and (v) the discount being within market ranges.

The Directors also consider that the discount offered on the Subscription Price will encourage the Connected Subscribers to participate in the subscription, and help maintain on-going relationships with the Connected Subscribers whose contributions are or will be beneficial to the long-term growth and development of the Group.

For the analysis of the trading price trend of the Shares, please refer to the Letter from Oriental Patron from pages 35 to 36 of this circular for further details.

Specific mandate to issue the Subscription Shares:

The Subscription Shares will be issued pursuant to the specific mandate to be sought from the Independent Shareholders at the EGM. The Specific Mandate in relation to Subscriptions, if approved, will be valid until the completion of the Subscriptions or termination of the Subscription Agreement.

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Ranking:

The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with all existing Shares presently in issue and at the time of allotment and issue of the Subscription Shares and in particular shall rank in full for all dividends and other distributions declared, made or paid hereafter.

Conditions of the Subscriptions:

Completion of the Subscription Agreement is subject to the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the approval of the following ordinary resolutions at the EGM of the Independent Shareholders of the Company in relation to, among other things, the Subscription Agreement, the Subscriptions and the transactions contemplated thereunder:
 - (a) the specific mandate for the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement and/or the Subscriptions; and
 - (b) the Subscription Agreement and the transactions contemplated thereunder; and
- (ii) the listing of, and permission to deal in, all the Subscription Shares to be allotted and issued under the Subscription Agreement and/or the Subscriptions being granted by the Stock Exchange and such listing and permission not subsequently being revoked prior to the date of closing of the Subscription Agreement.

If the conditions are not fulfilled by the long stop date being 31 October 2016 (or such later date as the relevant parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall automatically terminate.

In the event that closing of the Subscriptions does not occur by the Closing Date, the Subscription Agreement will immediately and automatically terminate, the obligations of the Company and the Subscribers under the Subscription Agreement shall immediately cease and be null and void and the subscription monies in respect of the Subscriptions will be returned to the Subscribers.

Completion of Subscription:

Completion of the Subscriptions will take place within seven business days after the date that the conditions of the Subscription Agreement have been fulfilled or waived, as the case may be, (or such other later date as the Company or the Connected Subscribers may agree in writing) (the “**Closing Date**”).

Lock-up Undertaking by the Connected Subscribers:

Each Connected Subscriber undertakes to the Company that, neither he/she or its nominee nor anyone acting on his/her behalf will, during the Lock-up Period (as defined below), sell, assign, transfer or otherwise dispose of any interest in any Subscription Shares.

LETTER FROM THE BOARD

Up to 50% of the Subscription Shares will be released from the lock-up 12 months after the Closing Date, and up to 100% of the Subscription Shares will be released from the lock-up 18 months after the Closing Date (both dates inclusive) (the “**Lock-up Period**”).

The Directors considered that the Lock-up Period would limit the negative impact of the issuance of new Subscription Shares on the market price of the Shares.

3. EMPLOYEE SUBSCRIPTION AGREEMENTS

Date:

24 May 2016

Parties:

- (i) the Company, as issuer of the Employee Subscription Shares; and
- (ii) the Employee Subscribers, as subscribers of the Employee Subscription Shares.

The Employee Subscribers are certain key employees of the Group who hold the position of Assistant Director (總監助理) or above within the Group. Each of the Employee Subscribers is an independent third party of the Company.

Employee Subscription Shares:

85,000,000 Employee Subscription Shares, representing:

- (a) approximately 8.5% of the Company’s existing issued share capital as at the Latest Practicable Date;
- (b) approximately 7.9% of its issued share capital as enlarged by the Employee Subscriptions only (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Employee Subscription Agreements); and
- (c) approximately 7.2% of its issued share capital as enlarged by both the Subscriptions and the Employee Subscriptions (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Subscription Agreement and the Employee Subscription Agreements).

As disclosed in the Company’s announcement dated 24 May 2016, out of the 85,000,000 Employee Subscription Shares originally offered to the Employees, only 81,640,000 Employee Subscription Shares were accepted under the original offer by 150 Employees, due to their financial position and individual circumstances, leaving 3,360,000 outstanding Employee Subscription Shares not subscribed for under the original offer (the “**Unsubscribed Employee Subscription Shares**”).

LETTER FROM THE BOARD

After the Company's announcement dated 22 May 2016, the Company received requests from certain additional employees of the Group who have asked to participate in the Employee Subscription. Considering the individual contributions made by these employees to the Group, the Board resolved to offer the Unsubscribed Employee Subscription Shares to 42 additional employees of the Group on the same terms as the Employee Subscription Agreements. The total number of Employee Subscription Shares is 85,000,000.

The Employee Subscribers shall appoint a nominee to hold the Employee Subscription Shares on their behalf, and shall procure that the nominee shall perform the closing obligations in accordance with the terms of the Employee Subscription Agreements.

The number of Employee Subscription Shares to be subscribed by the Employee Subscribers under the Employee Subscription Agreements are set out below:

Subscriber	No. of Subscribers	No. of Subscription Shares subscribed	Cash Consideration for Subscription Shares
<i>Employee Subscribers</i>	192	85,000,000	HK\$221,000,000

Subscription Price:

The Subscription Price of HK\$2.6 per Subscription Share:

- (i) represents a discount of approximately 23% to the closing price of HK\$3.36 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) represents a discount of approximately 22% to the closing price of HK\$3.35 per Share as quoted on the Stock Exchange on the trading day on the date of the Employee Subscription Agreements;
- (iii) represents a discount of approximately 21% over the average closing price of approximately HK\$3.30 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and inclusive of the date of the Employee Subscription Agreements; and
- (iv) represents a discount of approximately 24% over the average closing price of approximately HK\$3.44 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and inclusive of the date of the Employee Subscription Agreements.

The Subscription Price was determined on an arm's length basis between the Company and with each Employee Subscriber with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable under the current market conditions and in light of the recent price performance of the Shares and the liquidity of the Shares.

The Directors also took into account (i) the financial performance of the Group; (ii) the lock up period of the Employee Subscription Shares (which is the same length as the Lock-up Period for the Subscriptions); (iii) the downward price trend of the Shares in the 12-month period up to the date of the Employee Subscription Agreements; (iv) the illiquidity of the Shares in open market; and (v) the discount being within market ranges.

LETTER FROM THE BOARD

The Directors also consider that the discount offered on the Subscription Price will encourage the Employee Subscribers to participate in the subscription, and help maintain on-going relationships with the Employee Subscribers whose contributions are or will be beneficial to the long-term growth and development of the Group.

For the analysis of the trading price trend of the Shares, please refer to the Letter from Oriental Patron from pages 35 to 36 of this circular for further details.

Specific mandate to issue the Subscription Shares:

The Employee Subscription Shares will be issued pursuant to the specific mandate to be sought from the Employee Independent Shareholders at the EGM. The Specific Mandate in relation to Employee Subscriptions, if approved, will be valid until the completion of the Employee Subscriptions or termination of the Employee Subscription Agreements.

Ranking:

The Employee Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with all existing Shares presently in issue and at the time of allotment and issue of the Employee Subscription Shares and in particular shall rank in full for all dividends and other distributions declared, made or paid hereafter.

Conditions of the Employee Subscriptions:

Completion of the Employee Subscription Agreements is subject to the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the approval of the following ordinary resolutions at the EGM of the Employee Independent Shareholders of the Company in relation to, among other things, the Employee Subscription Agreements, the Employee Subscriptions and the transactions contemplated thereunder:
 - (a) the specific mandate for the allotment and issue of the Employee Subscription Shares pursuant to the Employee Subscription Agreements and/or the Employee Subscriptions; and
 - (b) the Employee Subscription Agreements and the transactions contemplated thereunder; and
- (ii) the listing of, and permission to deal in, all the Employee Subscription Shares to be allotted and issued under the Employee Subscription Agreements and/or the Employee Subscriptions being granted by the Stock Exchange and such listing and permission not subsequently being revoked prior to the date of closing of the Employee Subscription Agreements.

LETTER FROM THE BOARD

If the conditions are not fulfilled by the long stop date being 31 October 2016 (or such later date as the relevant parties to the Employee Subscription Agreements may agree in writing), the Employee Subscription Agreements shall automatically terminate.

In the event that closing of the Employee Subscriptions does not occur by the Employee Closing Date, the Employee Subscription Agreements will immediately and automatically terminate, the obligations of the Company and the Employee Subscribers under the Employee Subscription Agreements shall immediately cease and be null and void and the subscription monies in respect of the Employee Subscriptions will be returned to the Employee Subscribers.

Completion of Employee Subscriptions:

Completion of the Employee Subscriptions will take place within seven business days after the date that the conditions of the Employee Subscription Agreements have been fulfilled or waived, as the case may be (or such other later date as the Company or the Employee Subscribers may agree in writing) (the “**Employee Closing Date**”).

Lock-up Undertaking by the Employee Subscribers:

Each Employee Subscriber undertakes to the Company that, neither he/she or its nominee nor anyone acting on his/her behalf will, during the Employee Lock-up Period (as defined below), sell, assign, transfer or otherwise dispose of any interest in any Employee Subscription Shares (the “**Employee Lock-up Undertaking**”).

Up to 50% of the Employee Subscription Shares will be released from the lock-up 12 months after the Employee Closing Date, and up to 100% of the Employee Subscription Shares will be released from the lock-up 18 months after the Employee Closing Date (both dates inclusive) (the “**Employee Lock-up Period**”).

The Directors considered that the Employee Lock-up Period would limit the negative impact of the issuance of new Employee Subscription Shares on the market price of the Shares.

The Company and the Employee Subscribers also agreed to include the following terms:

- (1) if the Employee Subscriber is no longer employed by the Group due to (a) his/her retirement; (b) his/her death or disability; (c) his/her being made redundant by the Group; or (d) the Group electing not to extend the term of the Employee Subscriber’s expired employment contract,

then, (i) in respect of the Employee Subscription Shares that are not subject to the Employee Lock-up Undertaking, the Employee Subscriber (or its nominee) may continue to hold them, or sell them and the Employee Subscriber shall receive the proceeds upon such sale; or (ii) in respect of Employee Subscription Shares subject to the Employee Lock-up Undertaking, the Employee Subscriber shall be subject to the restrictions in the Employee Lock-up Undertaking until the expiration of the Employee Lock-up Period;

LETTER FROM THE BOARD

- (2) if the Employee Subscriber is no longer employed by the Group due to (a) his/her resignation during his/her employment contract; or (b) the Employee Subscriber electing not to extend the term of the his/her expired employment contract,

then, (i) in respect of the Employee Subscription Shares that are not subject to the Employee Lock-up Undertaking, the Employee Subscriber (or its nominee) may continue to hold them, or sell them and the Employee Subscriber shall receive the proceeds upon such sale, or upon the expiration of its shareholding arrangement with its nominee; or (ii) in respect of Employee Subscription Shares subject to the Employee Lock-up Undertaking, the Employee Subscriber shall (or shall procure its nominee to) transfer the Employee Subscription Shares to a transferee chosen by the Board (or a committee nominated by the Board) (a “**Chosen Transferee**”) at the Subscription Price and the proceeds of the sale paid by the Chosen Transferee, after deducting administrative expenses and any loss suffered by the Group due to the Employee Subscriber’s misconduct (“**Applicable Deductions**”), shall be returned to the Employee Subscriber;

- (3) if at any time, the Employee Subscriber is no longer employed by the Group due to the Employee Subscriber’s breach of laws or regulations, breach of the Group’s internal rules and policies or serious negligence,

then, (a) the Employee Subscriber shall (or shall procure its nominee to) transfer the Employee Subscription Shares to a Chosen Transferee at the Subscription Price and the proceeds of the sale paid by the Chosen Transferee, after Applicable Deductions, shall be returned to the Employee Subscriber; and (b) if the Group suffers any loss due to the Employee Subscriber’s misconduct during his/her employment with the Group, the Group shall be entitled to be compensated from such proceeds of the transfer of the Employee Subscriber’s Employee Subscription Shares; and

- (4) the interpretation of the above terms shall be subject to the absolute discretion of the Board (or a committee nominated by the Board).

The interpretation of the above terms are subject to the absolute discretion of the Board (or a committee nominated by the Board).

Paragraph (2) provides that “any loss suffered by the Group due to the Employee Subscriber’s misconduct” can be deducted from the proceeds of the sale paid by the Chosen Transferee. In the event that an Employee Subscriber resigns or elects not to extend his/her employment contract after having caused loss to the Group, the Group can rely on this right to recover losses from the relevant Employee Subscriber. The term “misconduct” in paragraph (2) is intended to cover a broader range of circumstances in which an Employee Subscriber’s behaviour may cause loss to the Group, which may not be covered under the circumstances in paragraph (3) which specifically involves a breach of laws or regulations, breach of the Group’s internal rules and policies or serious negligence. In either case, the Company will be entitled to recover losses from the proceeds of the transfer of the Employee Subscription Shares.

Paragraphs (2) and (3) above are intended to provide Employee Subscribers with the ability to sell their Employee Subscription Shares at the Subscription Price in circumstances where an appropriate Chosen Transferee can be found.

LETTER FROM THE BOARD

If there is no Chosen Transferee or the Board (or a committee nominated by the Board) is not able to identify a Chosen Transferee, the Board (or a committee nominated by the Board) shall determine in its discretion and with reference to the circumstances as to why the Employee Subscriber is no longer employed by the Group, as to how the Employee Subscription Shares will be dealt with, including (i) allowing the Employee Subscriber to continue to hold the Employee Subscription Shares until the expiry of the Employee Lock-Up Period (if not expired) upon which the Employee Subscriber will have the option to determine how to deal with the Employee Subscription Shares; or (ii) request one or more of the Connected Subscribers and/or the remaining Employee Subscribers to take up the Employee Subscription Shares.

If there is no Chosen Transferee, the Connected Subscribers and/or the remaining Employee Subscribers are not under any obligation to take up the Employee Subscription Shares. If one or more of the Connected Subscribers and/or the remaining Employee Subscribers is willing to take up such Employee Subscription Shares, the Board (or a committee nominated by the Board) will determine the terms of such transfer with reference to the market conditions prevailing at the time. If no Connected Subscriber and/or the remaining Employee Subscribers is willing to take up such Employee Subscription Shares, the Employee Subscriber may continue to hold the Employee Subscription Shares until the expiry of the Employee Lock-Up Period (if not already expired).

4. NOMINEE ARRANGEMENTS FOR THE SUBSCRIPTIONS AND EMPLOYEE SUBSCRIPTIONS

It is intended that one nominee will hold the Subscription Shares and the Employee Subscription Shares on behalf of all Connected Subscribers and Employee Subscribers.

A committee will be formed for purpose of overseeing the mechanics of holding the Subscription Shares and the Employee Subscription Shares during the Lock-up Period and Employee Lock-up Period. The committee will be formed by approximately 20 members, including the 11 Connected Subscribers, certain managers from the Company's important subsidiaries and functional departments, and certain Employee Subscribers being representatives from the Group's trade union.

Upon the expiry of the Lock-up Period and the Employee Lock-up Period (as applicable), the Connected Subscribers and the Employee Subscribers will have the option to (i) instruct the nominee to transfer the relevant Subscription Shares or Employee Subscription Shares to himself/herself, or (ii) continue to hold the Subscription Shares or Employee Subscription Shares through the nominee under the oversight of the committee.

5. APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of an approval for the listing of, and permission to deal in, the Subscription Shares and the Employee Subscription Shares.

LETTER FROM THE BOARD

6. REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND THE EMPLOYEE SUBSCRIPTIONS AND USE OF PROCEEDS

The Group is principally engaged in the manufacture of packaging products including beverage cans, food cans, aerosol cans, metal caps, printed and coated tinplates, steel barrels, round and square shaped cans and plastic packaging in the PRC.

Since the Third Plenary Session of the 18th Central Committee of the Communist Party of China in 2013, the development of a mixed ownership economy has become an important direction for state owned enterprises. In order to further promote a mixed ownership structure in respect of key employees and to align their interests with the Group, the Company decided to propose the Subscriptions and the Employee Subscriptions.

The Connected Subscribers and Employee Subscribers were selected on the basis that they represent certain key employees of the Group. Each of the Connected Subscribers and Employee Subscribers hold a position of Assistant Director (總監助理) or above within the Group and have achieved good performance ratings within their roles during annual appraisals.

The Directors considered that the Connected Subscribers and Employee Subscribers have each made an important contribution to the development and growth of the Group. In particular, the Connected Subscribers and the Employee Subscribers have had an influence in respect of the Group's strategy, operations, implementation, technology and overall decision-making.

The Directors are of the view that the Subscriptions and the Employee Subscriptions will help maintain on-going relationships with the Connected Subscribers and Employees Subscribers whose contributions are or will be beneficial to the long-term growth and development of the Group. The funds from the Subscriptions and Employee Subscriptions will help the Company improve its financial condition.

The Directors have considered different arrangements, such as share options and restricted share units scheme, in order to align the interests of the management and employees with those of the Shareholders and the Company in the long run. The Directors consider that the Subscriptions and Employee Subscriptions are in the best interests for the Company because of the following reasons.

- (1) The Subscriptions and Employee Subscriptions, unlike share options, will result in immediate actual ownership of Shares and will align the long-term interests of the Connected Subscribers and the Employee Subscribers with those of the Shareholders.
- (2) The Subscriptions and Employee Subscriptions are a simple and straightforward way for the Company to raise funds for partial repayment of its offshore debts, thereby reducing financing costs and exposure to foreign exchange risk.
- (3) The discount offered on the Subscription Price will encourage the Connected Subscribers and Employee Subscribers to participate in the Subscriptions and Employee Subscriptions respectively.

LETTER FROM THE BOARD

The Directors consider that the Subscription Agreement and the Employee Subscription Agreements have been entered into on normal commercial terms and the terms (including the Subscription Price) are fair and reasonable and the Subscriptions and Employee Subscriptions are in the interests of the Company and the Shareholders as a whole.

The aggregate gross proceeds from the Subscriptions from the Connected Subscribers are expected to be HK\$239,200,000, the aggregate gross proceeds from the Employee Subscriptions are expected to be HK\$221,000,000 and, together the total aggregate gross proceeds from the Subscriptions and the Employee Subscriptions are expected to be HK\$460,200,000. After deducting related fees and expenses, the aggregate net proceeds from the Subscriptions are expected to be approximately HK\$235,850,000, the aggregate net proceeds from the Employee Subscriptions are expected to be approximately HK\$218,550,000 and, the total aggregate net proceeds from the Subscriptions and the Employee Subscriptions are expected to be HK\$454,400,000. The net price per Subscription Share after deducting related fees and expenses is approximately HK\$2.56 per Subscription Share, the net price per Employee Subscription Share after deducting related fees and expenses is approximately HK\$2.57 per Employee Subscription Share, and the net price per Share for the Subscriptions and Employee Subscriptions after deducting related fees and expenses is approximately HK\$2.57 per Share.

The Company intends to apply the net proceeds from the Subscriptions:

- (i) in the amount of approximately HK\$202,430,000 for partial repayment of existing bank borrowings; and
- (ii) in the amount of approximately HK\$33,420,000 for general working capital.

The Company intends to apply the net proceeds from the Employee Subscriptions:

- (i) in the amount of approximately HK\$187,570,000 for partial repayment of existing bank borrowings; and
- (ii) in the amount of approximately HK\$30,980,000 for general working capital.

LETTER FROM THE BOARD

7. SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company has 997,560,000 Shares in issue. The shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the completion of the Subscription Agreement only (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Subscription Agreement); (iii) immediately after the completion of the Employee Subscription Agreements only (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Employee Subscription Agreements); and (iv) immediately after the completion of the Subscription Agreement and the Employee Subscription Agreements (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Subscription Agreement and the Employee Subscription Agreements) are as follows:

Name of Shareholder	As at the Latest Practicable Date		Immediately after completion of the Subscription Agreement only		Immediately after completion of the Employee Subscription Agreements only		Immediately after completion of the Subscription Agreement and the Employee Subscription Agreements	
	Number of Shares	Approx. % issued	Number of Shares	Approx. % issued	Number of issued Shares	Approx. % issued	Number of Shares	Approx. % issued
		Shares		Shares		Shares		Shares
China Foods (Holdings) ORG International Holdings Limited	330,658,800	33.15%	330,658,800	30.35%	330,658,800	30.55%	330,658,800	28.15%
	269,341,200	27.00%	269,341,200	24.72%	269,341,200	24.88%	269,341,200	22.93%
<i>Connected Subscribers</i>								
Zhang Xin	–	–	25,000,000	2.29%	–	–	25,000,000	2.13%
Zhang Ye	–	–	17,000,000	1.56%	–	–	17,000,000	1.45%
Shi Yu	–	–	12,000,000	1.10%	–	–	12,000,000	1.02%
Lv Qing	–	–	9,000,000	0.83%	–	–	9,000,000	0.77%
Feng Ping	–	–	9,000,000	0.83%	–	–	9,000,000	0.77%
Cheng Bincai	–	–	4,000,000	0.37%	–	–	4,000,000	0.34%
Zhao Wei	–	–	4,000,000	0.37%	–	–	4,000,000	0.34%
Gu Xiao Lei	–	–	4,000,000	0.37%	–	–	4,000,000	0.34%
Huang Jin	–	–	3,000,000	0.27%	–	–	3,000,000	0.25%
Yang Xiaoyan	–	–	3,000,000	0.27%	–	–	3,000,000	0.25%
Yin Xiao Yu	–	–	2,000,000	0.18%	–	–	2,000,000	0.17%
Employee Subscribers	– ⁽¹⁾	–	– ⁽¹⁾	–	85,000,000	7.85%	85,000,000	7.24%
Other Public Shareholders	397,560,000	39.85%	397,560,000	36.49%	397,560,000	36.72%	397,560,000	33.85%
Total	997,560,000	100.00%	1,089,560,000	100.00%	1,082,560,000	100.00%	1,174,560,000	100.00%

Note:

- As each Employee Subscriber does not have a 5% or more beneficial interest or short position in the issued Shares and underlying Shares (which would be required to be recorded in the register maintained by the Company under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)), the number of Shares held by the Employee Subscribers as disclosed in the table above is not necessarily exhaustive.

8. EQUITY FUNDRAISING ACTIVITY IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activities in the past 12 months immediately preceding the date of the Announcements.

LETTER FROM THE BOARD

9. IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, the Connected Subscribers are:

- (a) Zhang Xin (Director and director of certain subsidiaries of the Company);
- (b) Zhang Ye (director of certain subsidiaries of the Company);
- (c) Shi Yu (director of certain subsidiaries of the Company);
- (d) Lv Qing (director and supervisor of certain subsidiaries of the Company);
- (e) Feng Ping (director and supervisor of certain subsidiaries of the Company);
- (f) Cheng Bincai (director of certain subsidiaries of the Company);
- (g) Zhao Wei (director of certain subsidiaries of the Company);
- (h) Gu Xiao Lei (director of certain subsidiaries of the Company);
- (i) Huang Jin (director of certain subsidiaries of the Company);
- (j) Yang Xiaoyan (director of a subsidiary and supervisor of certain subsidiaries of the Company); and
- (k) Yin Xiao Yu (supervisor of certain subsidiaries of the Company).

The Connected Subscribers are connected persons of the Company under the Listing Rules and accordingly, the Subscriptions by the Connected Subscribers constitute connected transactions for the Company and are subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will seek the Independent Shareholders' approval for the Subscription Agreement entered into with the Connected Subscribers and the granting of the Specific Mandate in relation to Subscriptions at the EGM.

Mr. Zhang Xin has abstained from voting on the Board resolutions approving the Subscriptions due to his interests in the Subscriptions.

10. EGM

The EGM will be held for the purposes of (i) considering and, if thought fit, approving by the Independent Shareholders of the Subscription Agreement and the transactions contemplated thereunder, and (ii) considering and, if thought fit, approving by the Employee Independent Shareholders of the Employee Subscription Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

In view of the Connected Subscribers' material interests in the Subscriptions, the Connected Subscribers and their respective associates (to the extent they have an existing interest in Shares) will abstain from voting on the resolution in relation to the Subscription Agreement and the transactions contemplated thereunder at the EGM. As Mr. Zhang Xin, one of the Connected Subscribers, is the Senior Industry Executive of COFCO Group, China Foods (Holdings), as a wholly owned subsidiary of COFCO, is required to abstain from voting on the ordinary resolution at the EGM in relation to the Subscription Agreement and the transactions contemplated thereunder. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, except for the Connected Subscribers and their associates and China Foods (Holdings), no other Shareholder is required to abstain from voting on the relevant ordinary resolution in relation to the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate in relation to Subscriptions, at the EGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, except for the Employee Subscribers and their associates who will abstain from voting on the ordinary resolution in relation to the Employee Subscription Agreements to be approved at the EGM, no other Shareholder is required to abstain from voting on the relevant ordinary resolutions at the EGM in relation to the Employee Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate in relation to Employee Subscriptions.

A notice convening the EGM is set out on pages 51 to 54 of this circular. The EGM will be held at 10:30 a.m. on Friday, 15 July 2016 at President Suite, World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong, at which the ordinary resolutions will be proposed to consider and, if thought fit, to approve the Subscription Agreement, the Employee Subscriptions, and the transactions contemplated thereunder. The form of proxy for use by the Shareholders at the EGM is enclosed with this circular.

Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, Floor 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of a form of proxy shall not preclude you from attending and voting in person at the EGM or an adjournment thereof should you so desire.

LETTER FROM THE BOARD

11. RESOLUTION

At the EGM, the Independent Shareholders will be asked to approve the following ordinary resolutions in relation to the Subscription Agreement, and the Employee Independent Shareholders will be asked to approve the following ordinary resolutions in relation to the Employee Subscription Agreements:

“BE IT RESOLVED THAT:

1. conditional upon the ordinary resolution set out in paragraph 2 of the notice convening this meeting being passed, in relation to the Subscription Agreement

- (a) the subscription agreement dated 22 May 2016 (the “**Subscription Agreement**”) entered into between the Company and each of the Connected Subscribers (as defined in the Circular), the material terms of which are set out in the Circular, be and are hereby approved and confirmed;
- (b) the Subscriptions (as defined in the Circular) in relation to 92,000,000 new Shares (the “**Subscription Shares**”) of the Company at a price of HK\$2.6 per Subscription Share by the Connected Subscribers (as defined in the Circular) under the Subscription Agreement (as defined in the Circular), be and are hereby approved;
- (c) the execution of the Subscription Agreement and any other agreements, documents and actions taken or to be taken in connection with the Subscriptions (including the allotment and issue by the Company of the Subscription Shares) by any director of the Company (“**Director**”), notwithstanding any interest he may have in any matters in connection with the Subscriptions, be and are hereby approved, confirmed and ratified;
- (d) any Director be and is hereby authorised to do all acts and things and execute any agreements, deeds, instruments and any other documents, under hand or under seal, or make such arrangement as he/she may determine to be appropriate, necessary or desirable to give effect to or in connection with the Subscriptions and the allotment and issue of the Subscription Shares and, subject to and in accordance with the applicable law and regulations, to approve and make such immaterial variation, amendment, supplement or waiver of immaterial matters relating to the Subscriptions in the interests of the Company and its shareholders as a whole; and
- (e) subject to and conditional upon (i) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subscription Shares; and (ii) the fulfillment of other conditions precedent as set out in the Subscription Agreement, the unconditional Specific Mandate in relation to Subscriptions granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Subscription Shares pursuant to the Subscription Agreement be and is hereby confirmed and approved,

LETTER FROM THE BOARD

2. **conditional upon the ordinary resolution set out in paragraph 1 of the notice convening this meeting being passed, in relation to the Employee Subscription Agreements**
- (a) the employee subscription agreements dated 24 May 2016 (the “**Employee Subscription Agreements**”) entered into between the Company and each of the Employee Subscribers (as defined in the Circular), the material terms of which are set out in the Circular, be and are hereby approved and confirmed;
 - (b) the Employee Subscriptions (as defined in the Circular) in relation to 85,000,000 new ordinary Shares (the “**Employee Subscription Shares**”) of the Company at a price of HK\$2.6 per Employee Subscription Share by the Employee Subscribers (as defined in the Circular) under the Employee Subscription Agreements, be and are hereby approved;
 - (c) the execution of the Employee Subscription Agreements and any other agreements, documents and actions taken or to be taken in connection with the Employee Subscriptions (including the allotment and issue by the Company of the Employee Subscription Shares) by any Director, notwithstanding any interest he may have in any matters in connection with the Employee Subscriptions, be and are hereby approved, confirmed and ratified;
 - (d) any Director be and is hereby authorised to do all acts and things and execute any agreements, deeds, instruments and any other documents, under hand or under seal, or make such arrangement as he/she may determine to be appropriate, necessary or desirable to give effect to or in connection with the Employee Subscriptions and the allotment and issue of the Employee Subscription Shares and, subject to and in accordance with the applicable law and regulations, to approve and make such immaterial variation, amendment, supplement or waiver of immaterial matters relating to the Employee Subscriptions in the interests of the Company and its shareholders as a whole; and
 - (e) subject to and conditional upon (i) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Employee Subscription Shares; and (ii) the fulfillment of other conditions precedent as set out in the Employee Subscription Agreement, the unconditional Specific Mandate in relation to Employee Subscriptions granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Employee Subscription Shares pursuant to the Employee Subscription Agreements be and is hereby confirmed and approved.”

LETTER FROM THE BOARD

12. MATERIAL INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS

Save and except Mr. Zhang Xin who has abstained from voting on the Board resolutions approving the Subscriptions due to his interests in the Subscriptions, management of the Company is not aware of any material interest of any Director or executive officer or anyone who has held office as such since the beginning of the Company's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the EGM.

13. RECOMMENDATION

An Independent Board Committee has been established to advise the Independent Shareholders, and Oriental Patron has been appointed as the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement entered into with the Connected Subscribers and the transactions contemplated thereunder.

Based on the relevant information disclosed herein, the Directors, including all the independent non-executive Directors, believe that the Subscription Agreement and the Employee Subscription Agreements, and the transactions contemplated thereunder, are on normal commercial terms, and are fair and reasonable and in the interest of the Company and its Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favour of the ordinary resolutions to be proposed at the EGM.

14. AUDITOR

The auditor of the Company is Ernst & Young. Ernst & Young has acted as the auditors of the Company since 28 July 2009.

15. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular and the notice of EGM.

16. APPROVAL OF THE DIRECTORS

The contents and sending of this circular have been approved by the Board. Mr. Zhang Xin has abstained from voting on the relevant Board resolutions due to his interests in the Subscriptions.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



27 June 2016

To the Independent Shareholders

Dear Sir or Madam,

**(1) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF
NEW SHARES BY CONNECTED PERSONS**

We refer to the circular dated 27 June 2016 issued by the Company to its Shareholders (the “**Circular**”), of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter, unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the terms of the Subscription Agreement, the transactions contemplated thereunder in relation to the Subscriptions by the Connected Subscribers, details of which are set out in the letter from the Board contained in the Circular, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the members of the Independent Board Committee have any direct or indirect interest in the Subscriptions.

Oriental Patron has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscriptions by the Connected Subscribers. We wish to draw your attention to the letter from Oriental Patron to the Independent Board Committee and the Independent Shareholders which contains its advice in respect of the Subscriptions by the Connected Subscribers and as set out in the Circular. Your attention is also drawn to the general information set out in the Circular.

Having taken into account the principal factors and reasons considered by Oriental Patron and its conclusion and advice, we are of the opinion that the terms of the Subscription Agreement are on normal commercial terms, whilst they may not be in the ordinary and usual course of business of the Group, they are fair and reasonable so far as the Shareholders are concerned, and in the interests of the Company and the Shareholders.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. CHENG Yuk Wo
Independent non-executive
Director

Mr. FU Tingmei
Independent non-executive
Director

Mr. Andrew Y. YAN
Independent non-executive
Director

LETTER FROM ORIENTAL PATRON

The following is the full text of a letter of advice from Oriental Patron to the Independent Board Committee and the Independent Shareholders in respect of the proposed issue of new shares under specific mandate and connected transaction involving subscription of new shares by connected persons, which has been prepared for the purpose of inclusion in this circular:



Oriental Patron Asia Limited
27/F, Two Exchange Square,
8 Connaught Place,
Hong Kong

27 June 2016

*To the Independent Board Committee and the Independent Shareholders of
CPMC Holdings Limited*

Dear Sirs,

- (1) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF
NEW SHARES BY CONNECTED PERSONS
AND
(3) PROPOSED SUBSCRIPTION OF NEW SHARES BY EMPLOYEES**

A. INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed issue of new Shares under Specific Mandate in relation to Subscriptions and subscription of new Shares by connected persons, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in this circular issued by the Company to the Shareholders dated 27 June 2016 (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board announced that on 22 May 2016, the Company entered into the Subscription Agreement with each of the Connected Subscribers pursuant to which the Connected Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 92,000,000 Subscription Shares at the Subscription Price of HK\$2.6 per Subscription Share for an aggregate cash consideration of HK\$239,200,000. The Connected Subscribers include certain directors and supervisors of the Group.

LETTER FROM ORIENTAL PATRON

The Board also announced that on 24 May 2016, the Company entered into the Employee Subscription Agreements with the Employee Subscribers pursuant to which the Employee Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, an aggregate of 85,000,000 Employee Subscription Shares at the Subscription Price of HK\$2.6 per Employee Subscription Share for an aggregate cash consideration of HK\$221,000,000.

As stated in the Board Letter, the approval of the transactions contemplated under the Subscriptions and the Employee Subscriptions at the EGM are inter-conditional on each other.

Given the Connected Subscribers are connected persons of the Company under the Listing Rules and accordingly, the Subscriptions by the Connected Subscribers constitute connected transactions for the Company and are subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the INEDs, namely Messrs. Cheng Yuk Wo, Fu Tingmei and Andrew Y. Yan, has been established to advise the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide you with an independent opinion as to whether the terms of the Subscription Agreement were agreed on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and that the entering into the Subscription Agreement is in the interests of the Company and the Independent Shareholders as a whole.

Oriental Patron has not acted as an independent financial adviser to Independent Board Committee and Independent Shareholders in relation to any of the transactions of the Company or the Group in the past two years.

BASIS OF OUR OPINION

In formulating our advice and recommendations, we have relied on the accuracy of the information and facts supplied, and the opinions expressed, by the Company, its Directors and the management of the Group to us. We have assumed that all information, facts, representations and opinions made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the Latest Practicable Date and that all expectations and intentions of the Company, its Directors and the management of the Group, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Company, its Directors and the management of the Group, and have been advised by the Company, its Directors and the management of the Group that no material facts have been omitted from the information provided and opinion expressed in and referred to in the Circular.

LETTER FROM ORIENTAL PATRON

We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted any form of in-depth investigation into the business and affairs, financial position or future prospect of the Group, nor carried out any independent verification of the information supplied, representations made or opinion expressed by the Company, the Directors and the management of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

We set out below the principal factors and considerations that we have taken into account in arriving at our advice to the Independent Board Committee and the Independent Shareholders.

Background and reasons for the Subscription

On 22 May 2016 (the “**Subscription Date**”), the Company entered into the Subscription Agreement with each of the Connected Subscribers pursuant to which the Connected Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 92,000,000 Subscription Shares at the Subscription Price of HK\$2.6 per Subscription Share for an aggregate cash consideration of HK\$239,200,000.

As stated in the Board Letter, since the Third Plenary Session of the 18th Central Committee of the Communist Party of China in 2013, the development of a mixed ownership economy has become an important direction for state owned enterprises. In order to further promote a mixed ownership structure in respect of key employees and to align their interests with the Group, the Company decided to propose the Subscriptions.

The Connected Subscribers were selected on the basis that they represent certain key employees of the Group. Each of the Connected Subscribers hold a position of Assistant Director (總監助理) or above within the Group and have achieved good performance ratings within their roles during annual appraisals.

The Directors considered that the Connected Subscribers have each made an important contribution to the development and growth of the Group. In particular, the Connected Subscribers have had an influence in respect of the Group’s strategy, operations, implementation, technology and overall decision-making.

The Directors are of the view that the Subscriptions will help maintain on-going relationships with the Connected Subscribers whose contributions are or will be beneficial to the long-term growth and development of the Group. The funds from the Subscriptions will help the Company improve its financial condition.

LETTER FROM ORIENTAL PATRON

Information about the Group

The Group is principally engaged in the manufacture of packaging products including beverage cans, food cans, aerosol cans, metal caps, printed and coated tinplates, steel barrels, round and square shaped cans and plastic packaging in the PRC.

Set out below is a summary of the financial performance of the Group as extracted from the Company's annual report for the year ended 31 December 2015 ("the **Annual Report**").

Financial Performance of the Group

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Revenue	5,103,718	5,295,417
Gross profit	905,895	945,141
Net profit attributable to equity holders of the Company	282,898	345,855
Total assets	7,843,718	7,618,033
Net asset value	4,323,943	4,237,591

Source: the Annual Report

We note from the Annual Report that the Group recorded revenue of approximately RMB5.1 billion for the year ended 31 December 2015, representing an approximately 3.6% decrease as compared with the revenue of approximately RMB5.3 billion recorded for the year ended 31 December 2014. During the year ended 31 December 2015, the Group generated net profit attributable to equity holders of the Company of approximately RMB282.9 million as compared with that of the year ended 31 December 2014 of RMB345.9 million. For the year ended 31 December 2015, the Group's gross profit margin was approximately 17.7%, representing a decrease from the gross profit margin of approximately 17.8% recorded during the year ended 31 December 2014. The Group attributed the decrease in revenue and profit to the drop in the selling price which resulted in the overall decrease in the Group's revenue and profit. As at 31 December 2015, the Group had total assets and net asset value of approximately RMB7.84 billion and RMB4.32 billion, respectively.

LETTER FROM ORIENTAL PATRON

Information of the Connected Subscribers

The details and names of the Connected Subscribers and the number of Subscription Shares to be subscribed by the Connected Subscribers under the Subscription Agreement are set out below:

Name of Subscriber	Position in the Group	No. of Subscription Shares subscribed	Cash consideration for Subscription Shares
<i>Connected Subscribers</i>			
Zhang Xin	Director and director of certain subsidiaries of the Company	25,000,000	HK\$65,000,000
Zhang Ye	director of certain subsidiaries of the Company	17,000,000	HK\$44,200,000
Shi Yu	director of certain subsidiaries of the Company	12,000,000	HK\$31,200,000
Lv Qing	director and supervisor of certain subsidiaries of the Company	9,000,000	HK\$23,400,000
Feng Ping	director and supervisor of certain subsidiaries of the Company	9,000,000	HK\$23,400,000
Cheng Bincai	director of certain subsidiaries of the Company	4,000,000	HK\$10,400,000
Zhao Wei	director of certain subsidiaries of the Company	4,000,000	HK\$10,400,000
Gu Xiao Lei	director of certain subsidiaries of the Company	4,000,000	HK\$10,400,000
Huang Jin	director of certain subsidiaries of the Company	3,000,000	HK\$7,800,000
Yang Xiaoyan	director of a subsidiary of the Company and supervisor of certain subsidiaries of the Company	3,000,000	HK\$7,800,000
Yin Xiao Yu	supervisor of certain subsidiaries of the Company	2,000,000	HK\$5,200,000
Total		92,000,000	HK\$239,200,000

Principal terms of the Subscription Agreement

The principal terms of the Subscription Agreement are summarised as follows:

Date: 22 May 2016

Parties: (i) the Company, as issuer of the Subscription Shares; and
(ii) the Connected Subscribers, as subscribers of the Subscription Shares.

LETTER FROM ORIENTAL PATRON

Subscription Shares: 92,000,000 Subscription Shares, representing:

- (a) approximately 9.2% of the Company's existing issued share capital as at the Latest Practicable Date;
- (b) approximately 8.4% of its issued share capital as enlarged by the Subscriptions only (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Subscription Agreement); and
- (c) approximately 7.8% of its issued share capital as enlarged by both the Subscriptions and the Employee Subscriptions (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Subscription Agreement and the Employee Subscription Agreements).

Subscription Price: HK\$2.6 per Subscription Share

Lock-up: Each Connected Subscriber undertakes to the Company that, neither he/she nor its nominee nor anyone acting on his/her behalf will, during the Lock-up Period, sell, assign, transfer or otherwise dispose of any interest in any Subscription Shares.

Up to 50% of the Subscription Shares will be released from the lock-up 12 months after the Closing Date, and up to 100% of the Subscription Shares will be released from the lock-up 18 months after the Closing Date (both dates inclusive).

The Connected Subscribers shall collectively appoint a nominee to hold the Subscription Shares on their behalf, and shall procure that the nominee shall perform the closing obligations in accordance with the terms of the Subscription Agreement.

Reasons for and benefits of the Subscriptions and use of the proceeds

As set out in the Board Letter, the Directors are of the view that the Subscriptions will help maintain on-going relationships with the Connected Subscribers whose contributions are or will be beneficial to the long-term growth and development of the Group. The funds from the Subscriptions will help the Company improve its financial condition.

LETTER FROM ORIENTAL PATRON

As stated in the Board Letter, the Directors have considered different arrangements, such as share options and restricted share units scheme, in order to align the interests of the management and employees with those of the Shareholders and the Company in the long run. The Directors consider that the Subscriptions are in the best interests for the Company because of the following reasons:

- (1) The Subscriptions, unlike share options, will result in immediate actual ownership of Shares and will align the long-term interests of the Connected Subscribers with those of the Shareholders.
- (2) The Subscriptions are a simple and straightforward way for the Company to raise funds for partial repayment of its offshore debts, thereby reducing financing costs and exposure to foreign exchange risk.
- (3) The discount offered on the Subscription Price will encourage the Connected Subscribers to participate in the Subscriptions.

We note that on 24 May 2016, the Company entered into the Employee Subscription Agreements with the Employee Subscribers pursuant to which the Employee Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, an aggregate of 85,000,000 Employee Subscription Shares at the Subscription Price of HK\$2.6 per Employee Subscription Share for an aggregate cash consideration of HK\$221,000,000. Details of the Employee Subscriptions are set out in the section headed “Employee Subscription Agreements” in the Board Letter.

We have reviewed key terms of the Subscription Agreement and the Employee Subscription Agreements. Given that subscription offer was not made only to the Connected Subscribers, but also to the Employee Subscribers under the Employee Subscription Agreements which has similar terms to the Subscription Agreement, we concur with the view of the Directors that both the Subscriptions and Employee Subscriptions are in line with the Company’s intention to help maintain on-going relationships not only with the Connected Subscribers, but also with the Employee Subscribers whose contributions are or will be beneficial to the long-term growth and development of the Group.

As stated in the Board Letter, the aggregate gross proceeds from the Subscriptions from the Connected Subscribers are expected to be HK\$239,200,000. After deducting related fees and expenses, the aggregate net proceeds from the Subscriptions are expected to be approximately HK\$235,850,000. The net price per Subscription Share after deducting related fees and expenses is approximately HK\$2.56 per Subscription Share.

The Company intends to apply the net proceeds from the Subscriptions:

- (i) in the amount of approximately HK\$202,430,000 for partial repayment of existing bank borrowings; and
- (ii) in the amount of approximately HK\$33,420,000 for general working capital.

LETTER FROM ORIENTAL PATRON

Subscription Price and principle for pricing:

The Subscription Price was determined on an arm's length basis between the Company and with each Connected Subscriber with reference to the prevailing market price of the Shares.

The Subscription Price of HK\$2.6 per Subscription Share:

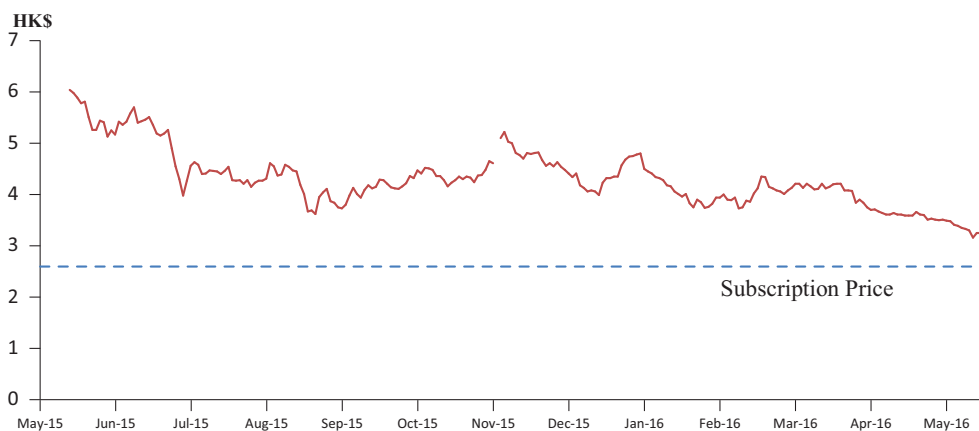
- (i) represents a discount of approximately 23% to the closing price of HK\$3.36 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) represents a discount of approximately 21% to the closing price of HK\$3.31 per Share as quoted on the Stock Exchange on the trading day immediately prior to the date of the Subscription Agreement (the "**Discount**");
- (iii) represents a discount of approximately 20% over the average closing price of approximately HK\$3.25 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iv) represents a discount of approximately 25% over the average closing price of approximately HK\$3.46 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreement.

As stated in the Board Letter, the Directors consider that the Subscription Price is fair and reasonable under the current market conditions and in light of the recent price performance of the Shares and the liquidity of the Shares.

Historical performance of Share price

In order to assess the fairness and reasonableness of the Subscription Price, we have reviewed the historical closing prices of the Shares as quoted on the Stock Exchange website during the 12-month period commencing from 23 May 2015 up to and including the Subscription Date (the "**Review Period**").

Historical closing prices



Source: the Stock Exchange website (www.hkex.com.hk)

Note: Trading in Shares was halted from 1:00p.m. on 5 November 2015 to 6 November 2015

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During the Review Period, the highest closing price of HK\$6.03 was spotted on 26 May 2015 and the lowest closing price of HK\$3.15 was spotted on 13 May 2016. The closing prices of the Shares demonstrated a downward trend during the Review Period and showed a drop of approximately 45.1% during the Review Period. As illustrated in the chart above, the Subscription Price of HK\$2.6 lies below the range of the closing prices during the Review Period.

Notwithstanding the Subscription Price being lower than the one-year historical lowest price of the Shares during the Review Period, we consider it more appropriate to take into consideration various factors including but not limited to (i) financial performance of the Group; (ii) lock up period of the Subscription Shares; (iii) price trend of the Shares; (iv) liquidity of the Shares in open market; and (v) the Share Comparables, in determining whether the Subscription Price is fair and reasonable.

Historical trading volume and liquidity of the Shares

In our assessment of the reasonableness of the Subscription Price, we have also examined the average daily turnover of the Shares in each month, and the respective percentages of the Shares' average daily turnover as compared to the total number of issued Shares of the Company as at the Subscription Date and the total number of issued Shares held by the public as at the Subscription Date as below:

	No. of trading days	Average daily turnover <i>Shares</i>	% of the average daily turnover to total number of issued Shares held by the public as at the Subscription Date <i>(Note 1)</i> %	% of the average daily turnover to total number of issued Shares as at the Subscription Date <i>(Note 2)</i> %
2015				
May (from 23 May)	4	2,695,275	0.68	0.27
June	22	1,331,277	0.33	0.13
July	22	1,347,580	0.34	0.14
August	21	543,112	0.14	0.05
September	20	417,526	0.11	0.04
October	20	757,006	0.19	0.08
November	21	1,031,200	0.26	0.10
December	22	739,537	0.19	0.07

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	No. of trading days	Average daily turnover Shares	% of the average daily turnover to total number of issued Shares held by the public as at the Subscription Date (Note 1) %	% of the average daily turnover to total number of issued Shares as at the Subscription Date (Note 2) %
2016				
January	20	679,737	0.17	0.07
February	18	250,333	0.06	0.03
March	21	685,747	0.17	0.07
April	20	1,025,066	0.26	0.10
May (up to 22 May)	14	440,341	0.11	0.04

Source: the Stock Exchange website (www.hkex.com.hk)

Note 1: Based on 397,560,000 Shares held by other public shareholders as at the Subscription Date

Note 2: Based on 997,560,000 Shares in issue as at the Subscription Date

From the above table, we note that trading of the Shares had been inactive during the Review Period. The Shares' monthly average daily turnover had remained below 1.00% of the total number of issued Shares as at the Subscription Date during the Review Period. The highest turnover of 7.53 million Shares was observed on 8 July 2015 and the lowest turnover of 6,000 Shares was spotted on 16 March 2016.

The number of Subscription Shares to be issued is 92,000,000, which is approximately 112 times of the average daily turnover of 822,432 shares during the Review Period. Having regard to the findings from the above table and the difference between the number of Subscription Shares and the average daily turnover, we concur with the Directors that the Shares are rather illiquid in the open market.

Lock-up of the Subscription Shares

Each Connected Subscriber undertakes to the Company that, neither he/she nor its nominee nor anyone acting on his/her behalf will, during the Lock-up Period, sell, assign, transfer or otherwise dispose of any interest in any Subscription Shares.

Up to 50% of the Subscription Shares will be released from the lock-up 12 months after the Closing Date, and up to 100% of the Subscription Shares will be released from the lock-up 18 months after the Closing Date (both dates inclusive).

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As aforementioned, we concur with the Directors that the Lock-up Period would limit the negative impact of the issuance of the Subscription Shares on the market price of the Shares.

Comparable Analysis

As part of our analysis, we have also reviewed transactions announced by companies listed on the Main Board of the Stock Exchange involving issuance of new ordinary shares under specific mandate, but excluding transactions (i) involving the issuance of shares which cannot be ordinarily traded on the Stock Exchange, (ii) not involving fundraising, (iii) involving reverse takeover cases, (iv) involving the issuance of shares to settle the consideration of any acquisition exercises, or (v) involving waiver application to an obligation to make a general offer under The Codes on Takeovers and Mergers and Share Repurchases, but resulting in change of control during the period from 22 November 2015 (being approximately 6 months prior to the date of the Subscription Agreement) up to one day prior to the Subscription Date as (the “**Share Comparables**”). To the best of our knowledge and as far as we are aware of, we found 36 transactions which met the said criteria, representing an exhaustive list. We consider the Share Comparables as fair and representative since the Subscriptions involves the subscription of ordinary Shares and it is not a reverse takeover case or settlement for the consideration of any acquisition exercises. Regardless of whether the Share Comparables announced by the listed companies were connected transactions, we have no reasons to doubt that those transactions were not on normal commercial terms; therefore we consider that those transactions are relevant to our analysis. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Share Comparables and thus the Share Comparables are only used to demonstrate for the recent common market practice of Hong Kong listed companies in subscription of new shares. Summarised below are our relevant findings:

Stock code	Company Name	Announcement Date	Premium/ (Discount) of the subscription price over/(to) closing price per share on the last trading day	Subscriber(s) being connected person(s)
2178	Petro-king Oilfield Services Limited	24/11/2015	14.50%	Yes
399	Innovative Pharmaceutical Biotech Limited	2/12/2015	(23.08)%	No
61	North Asia Resources Holdings Limited	3/12/2015	(83.33)%	No
370	China Best Group Holdings Limited	9/12/2015	(26.23)%	No
1070	TCL Multimedia Technology Holdings Limited	11/12/2015	31.31%	No

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Stock code	Company Name	Announcement Date	Premium/ (Discount) of the subscription price over/(to) closing price per share on the last trading day	Subscriber(s) being connected person(s)
707	Co-Prosperity Holdings Limited	13/12/2015	(25.00)%	Yes
2322	Noble Century Investment Holdings Limited	15/12/2015	(44.44)%	No
1315	Vision Fame International Holdings Limited	16/12/2015	(95.71)%	Yes
1240	CNQC International Holdings Limited	17/12/2015	(9.80)%	No
1831	Shifang Holdings Limited	22/12/2015	(60.40)%	No
295	Kong Sun Holdings Limited	5/1/2016	6.45%	Yes
6828	Blue Sky Power Holdings Limited	6/1/2016	(11.76)%	No
243	QPL International Holdings Limited	7/1/2016	(65.96)%	No
712	Comtec Solar Systems Group Limited	11/1/2016	(20.48)%	No
2880	Dalian Port (PDA) Company Limited	12/1/2016	(2.91)%	No
164	Rex Global Entertainment Holdings Limited <i>(Note 1)</i>	14/1/2016	(84.08)%	No
377	Huajun Holdings Limited	18/1/2016	(14.77)%	No
1194	China Precious Metal Resources Holdings Co., Ltd	27/1/2016	0.00%	No

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Stock code	Company Name	Announcement Date	Premium/ (Discount) of the subscription price over/(to) closing price per share on the last trading day	Subscriber(s) being connected person(s)
209	Winshine Entertainment & Media Holdings Company Limited (Note 2)	28/1/2016	3.90%	Yes
1194	China Precious Metal Resources Holdings Co., Ltd	29/1/2016	(9.80)%	Yes
1616	Silverman Holdings Limited	4/2/2016	(0.40)%	No
358	Jiangxi Copper Company Limited	25/2/2016	(1.99)%	Yes
1380	China Kingstone Mining Holdings Limited	8/3/2016	(2.91)%	No
431	Greater China Financial Holdings Limited	11/3/2016	22.81%	No
985	CST Mining Group Limited (Note 3)	15/3/2016	19.05%	Yes
1175	FU JI Food and Catering Services Holdings Limited	16/3/2016	0.00%	Yes
539	Victory City International Holdings Limited	18/3/2016	(10.34)%	No
416	Bank of Jinzhou Co., Ltd. (Note 4)	23/3/2016	(6.27)%	No
1192	Titan Petrochemicals Group Limited	8/4/2016	(59.35)%	No
789	Artini China Co. Ltd.	13/4/2016	(26.70)%	Yes
6893	Hin Sang Group (International) Holdings Co., Ltd.	27/4/2016	(33.33)%	No
1141	Skyway Securities Group Limited	3/5/2016	(13.46)%	No

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Stock code	Company Name	Announcement Date	Premium/ (Discount) of the subscription price over/(to) closing price per share on the last trading day	Subscriber(s) being connected person(s)
1386	Walker Group Holdings Limited	4/5/2016	(12.55)%	Yes
3311	China State Construction International Holdings Limited	11/5/2016	(2.11)%	Yes
1106	Sino Haijing Holdings Limited	19/5/2016	(29.08)%	No
904	China Green (Holdings) Limited	20/5/2016	(59.02)%	No
	Minimum		(95.71)%	
	Maximum		31.31%	
	Average		(20.48)%	

Note 1: Rex Global Entertainment Holdings Limited is known as China Baoli Technologies Holdings Limited as at the Latest Practicable Date.

Note 2: Winshine Entertainment & Media Holdings Company Limited is known as Winshine Science Company Limited as at the Latest Practicable Date.

Note 3: CST Mining Group Limited is known as NetMind Financial Holdings Limited as at the Latest Practicable Date.

Note 4: The discount of subscription price was calculated based on share price as at the latest practicable date of the circular of Bank of Jinzhou Co., Ltd dated 13 May 2016.

Note 5: In the event that only minimum subscription price has been mentioned in the announcement, such premium or discount is calculated based on the minimum subscription price.

From the above table, we note that the subscription prices of the Share Comparables ranged from a discount of approximately 95.71% to a premium of approximately 31.31% to the respective closing prices of their shares on the last trading days. Accordingly, the Discount of approximately 21% as represented by the Subscription Price is within the aforementioned market ranges (the “**Market Ranges**”) and similar to the average discount of approximately 20.48% of the Market Ranges.

Notwithstanding the Subscription Price being lower than the one-year historical lowest price of the Shares during the Review Period, having taken into consideration (i) financial performance of the Group during the year ended 31 December 2015 which recorded a decrease in both revenue and profit compared with that for the year ended 31 December 2014; (ii) the Lock-up Period; (iii) downward price trend of the Shares; (iv) illiquidity of the Shares in open market; and (v) the Discount being within the Market Ranges, we therefore concur with the view of Directors that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM ORIENTAL PATRON

Dilution effect on the shareholding interests of the Shareholders

The Subscription Shares represents approximately 9.2% of the existing issued Shares and approximately 8.4% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no other changes in the issued Shares between the Latest Practicable Date and the completion of the Subscriptions). The aggregate shareholding of the existing public Shareholders will be diluted from approximately 39.9% to 36.5% upon completion of the Subscriptions.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that the terms of the Subscription Agreement are on normal commercial terms, whilst they may not be in the ordinary and usual course of business of the Group, they are fair and reasonable so far as the Shareholders are concerned, and are in the interests of the Company and the Shareholders. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Oriental Patron Asia Limited
Joseph Chan
Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The issued share capital of the Company as at the Latest Practicable Date:

Issued and fully paid Shares: 997,560,000 Shares

All the issued Shares in the capital of the Company rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Subscription Shares and Employee Subscription Shares to be issued upon completion of the Subscriptions and Employee Subscriptions respectively shall rank *pari passu* in all respects with the Shares then in issue.

Each Share carries the right to one vote at any meeting of the Shareholders. As at the Latest Practicable Date, there are no classes of shares of the Company, other than the Shares, entitled to vote at the EGM.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there are 3,120,000 share options outstanding under the share option scheme adopted by the Company on 23 October 2009. Save for the share options granted under the Company's share option scheme, the Company did not have any other options, warrants and other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

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:

(i) Interests or long positions in underlying Shares of the Company

Name of Directors	Capacity/Nature of interests	Number of Shares interested	Approximate percentage of interests (Note 1)
Zhang Xin	Beneficial owner	25,200,000 (L) (Note 2)	2.53%
Hu Yonglei	Beneficial owner	120,000 (L) (Note 3)	0.01%

Notes:

- (1) The percentages are calculated based on the total number of shares of the Company in issue as at the Latest Practicable Date, i.e. 997,560,000 shares.
- (2) Zhang Xin is interested in 25,200,000 Shares in the Company comprising (i) 25,000,000 Subscription Shares to be issued pursuant to the Subscription Agreement; and (ii) a long position in 200,000 Shares in the underlying shares of the Company under share options granted pursuant to the share option scheme of the Company.
- (3) Long position in the underlying Shares of the Company under share options granted pursuant to the share option scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interests or 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) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(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 interest	Number of Shares interested	Approximate percentage of interests in issued share capital of the Company
China Foods (Holdings)	<i>(1)</i>	Registered owner	330,658,800	33.15%
COFCO (Hong Kong) Limited ("COFCO (HK)")	<i>(1) & (2)</i>	Interest of controlled corporations	330,658,800	33.15%
	<i>(1) & (3)</i>	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	269,341,200	27.00%
COFCO	<i>(1) & (4)</i>	Interest of controlled corporations	330,658,800	33.15%
	<i>(1), (3) & (4)</i>	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	269,341,200	27.00%

Substantial shareholders and other persons	<i>Notes</i>	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of interests in issued share capital of the Company
ORG Packaging Co., Ltd. (奥瑞金包装股份有限公司) ("ORG Packaging")	<i>(1) & (3)</i>	Interest of controlled corporations	269,341,200	27.00%
	<i>(1) & (3)</i>	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	330,658,800	33.15%
Shanghai Yuanlong Investment Limited ("Shanghai Yuanlong")	<i>(1) & (3)</i>	Interest of controlled corporations	269,341,200	27.00%
	<i>(1) & (3)</i>	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	330,658,800	33.15%
Mr. Zhou Yunjie	<i>(1) & (3)</i>	Interest of controlled corporations	269,341,200	27.00%
	<i>(1) & (3)</i>	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	330,658,800	33.15%

Notes:

- (1) Long position in the shares of the Company.
- (2) China Foods (Holdings) 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 (Holdings).

- (3) On 8 November 2015, COFCO (HK) and ORG Packaging entered into a sale and purchase agreement (the “Sale & Purchase Agreement”), pursuant to which COFCO (Hong Kong) has conditionally agreed to sell and ORG Packaging has conditionally agreed to purchase in the maximum of 269,341,200 Shares. On 27 January 2016, the completion of the Sale & Purchase Agreement took place, following which COFCO (HK) sold and ORG Packaging purchased 269,341,200 Shares. The Sale & Purchase Agreement is an agreement to which s. 317(1)(a) applies as it contains a lock-up obligation on the part of ORG Packaging. Such shares were transferred to ORG Development Limited, which is wholly owned by ORG International Holdings Limited which in turn is wholly owned by ORG Packaging. ORG Packaging is owned as to approximately 48.29% by Shanghai Yuanlong and approximately 0.74% 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 0.74% respectively by Mr. Zhou Yunjie. Therefore, Mr. Zhou Yunjie, Shanghai Yuanlong and ORG Packaging are deemed to be interested in all the Shares held by ORG Development Limited under the SFO.
- (4) COFCO (HK) and China Foods (Holdings) are wholly-owned subsidiaries of COFCO. COFCO is therefore deemed to be interested in the shares held by COFCO (HK) and China Foods (Holdings).
- * The percentages are calculated based on the total number of shares of the Company in issue as at the Latest Practicable Date, i.e., 997,560,000 Shares.

Save as disclosed above, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company as at the Latest Practicable Date.

4. MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors or any professional adviser named in paragraph 9 of this Appendix had any interest, direct or indirect, in any assets which have been, since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the businesses of the Group.

5. COMPETING INTERESTS

Interest of the Directors in a competing business required to be disclosed pursuant to Rule 8.10 of the Listing Rules is as follows:

Name of Director	Name of Company	Nature of competing business	Nature of interest	Appointment date
Mr. Zhou Yuan	ORG Packaging (Note)	Manufacture of packaging products	As a vice chairman	November 2010
			As a director	October 2010
Mr. Shen Tao	ORG Packaging (Note)	Manufacture of packaging products	As a general manager	February 2014
			As a director	October 2010

Note:

ORG Packaging is a listed company on Shenzhen Stock Exchange (Stock Code: 002701) and a substantial shareholder of the Company, holding approximately 27% of the Shares. ORG Packaging is principally engaged in the comprehensive packaging services including packaging design, packaging production, filling and brand design and promotion. For further details of ORG Packaging in respect of its business and financial position, please refer to its annual report dated 29 March 2016, which is available at <http://www.orgpackaging.com/cn/upload/investor/1367782080.PDF>.

Although Mr. Zhou Yuan is the vice chairman and a director of ORG Packaging, and Mr. Shen Tao is the general manager and a director of ORG Packaging, both of them have confirmed that they are mindful of their duty to avoid conflict of interest. In cases where conflict of interest situation arises, Mr. Zhou Yuan and Mr. Shen Tao will refrain from taking part in the decision-making process and will abstain from voting on the relevant resolution in board meeting. On this basis and given that ORG Packaging has its own management personnel other than Mr. Zhou Yuan and Mr. Shen Tao, the Directors believe that the Company is capable of carrying out its business independently of, and at arm's length from ORG Packaging.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective close associates are or were interested in any business, apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business.

6. DIRECTOR'S SERVICE CONTRACTS

Commencing on 23 October 2009, Mr. Zhang Xin entered into a service agreement with the Company for an initial term of three years. On 26 July 2013, Mr. Wan Zao Tian signed a letter of appointment with the Company pursuant to which he was appointed for a term of three years as a non-executive Director. On 17 March 2014, Mr. Andrew Y. Yan signed a letter of appointment with the Company pursuant to which he was appointed for a term of three years as an independent non-executive Director. On 25 February 2016, Mr. Zhou Yuan and Mr. Shen Tao signed letters of appointment with the Company pursuant to which they were appointed for

a term of three years as non-executive Directors. Save as aforesaid, each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company under which he agreed to act as non-executive Director or independent non-executive Director for an initial term of three years from 23 October 2009 (collectively, the “**Disclosed Director’s Service Agreement and Letters of Appointment**”).

Each of these service agreements and letters of appointment will continue thereafter unless and until terminated by either party by serving not less than three months’ prior written notice or three months salary in lieu of such notice.

Save as disclosed above, as at the Latest Practicable Date, there was no existing or proposed service contract, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation) between any of the Directors and any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigations or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since December 31, 2015, being the date of the latest published audited consolidated financial statements of the Group were made up.

9. EXPERT’S QUALIFICATION AND CONSENT

The following is the qualification of the Independent Financial Adviser who has given its advice for inclusion in this circular:

Name	Qualification
Oriental Patron Asia Limited	a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities

Oriental Patron has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and reference to its name in the form and context in which they appear respectively.

As at the Latest Practicable Date, Oriental Patron had no shareholding in the Company or any other member of the Group or right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

As at the Latest Practicable Date, Oriental Patron had no direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2015 (the date to which the latest published audited consolidated financial statements of the Company were made up) or proposed to be so acquired, disposed of or leased to.

The letter of advice given by Oriental Patron to the Independent Board Committee and the Independent Shareholders was made on 27 June 2016, is set out in pages 28 to 42 in this circular and are given for incorporation in this circular.

10. GENERAL

- (a) The Company's registered office is at 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.
- (b) The secretary of the Company is Mr. Yim Ming Chung. He is also a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (c) 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.
- (d) The English texts of this circular and the accompanying proxy form shall prevail over the Chinese texts.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the Subscription Agreement and each of the Employee Subscription Agreements;
- (b) the letter from the Board, the text of which is set out in pages 7 to 25 of this circular;
- (c) the letter from the Independent Board Committee, the text of which is set out on pages 26 to 27 of this circular;
- (d) the letter of advice from Oriental Patron, the text of which is set out in pages 28 to 42 of this circular;
- (e) the written consent from Oriental Patron referred to in the above paragraph headed "Expert's Qualification and Consent" in this Appendix;
- (f) the Disclosed Director's Service Agreements and Letters of Appointment; and
- (g) this circular.

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CPMC HOLDINGS LIMITED

中糧包裝控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 906)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of CPMC Holdings Limited (the “**Company**”) will be held at 10:30 a.m. on Friday, 15 July 2016 at President Suite, World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company. Capitalised terms used herein without definition shall have the same meanings as in the circular issued by the Company on 27 June 2016 (the “**Circular**”), unless the context otherwise requires:

ORDINARY RESOLUTIONS

“BE IT RESOLVED THAT:

- 1. conditional upon the ordinary resolution set out in paragraph 2 of the notice convening this meeting being passed, in relation to the Subscription Agreement**
 - (a) the subscription agreement dated 22 May 2016 (the “**Subscription Agreement**”) entered into between the Company and each of the Connected Subscribers (as defined in the Circular), the material terms of which are set out in the Circular, be and are hereby approved and confirmed;
 - (b) the Subscriptions (as defined in the Circular) in relation to 92,000,000 new Shares (the “**Subscription Shares**”) of the Company at a price of HK\$2.6 per Subscription Share by the Connected Subscribers (as defined in the Circular) under the Subscription Agreement (as defined in the Circular), be and are hereby approved;
 - (c) the execution of the Subscription Agreement and any other agreements, documents and actions taken or to be taken in connection with the Subscriptions (including the allotment and issue by the Company of the Subscription Shares) by any director of the Company (“**Director**”), notwithstanding any interest he may have in any matters in connection with the Subscriptions, be and are hereby approved, confirmed and ratified;

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- (d) any Director be and is hereby authorised to do all acts and things and execute any agreements, deeds, instruments and any other documents, under hand or under seal, or make such arrangement as he/she may determine to be appropriate, necessary or desirable to give effect to or in connection with the Subscriptions and the allotment and issue of the Subscription Shares and, subject to and in accordance with the applicable law and regulations, to approve and make such immaterial variation, amendment, supplement or waiver of immaterial matters relating to the Subscriptions in the interests of the Company and its shareholders as a whole; and
 - (e) subject to and conditional upon (i) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subscription Shares; and (ii) the fulfillment of other conditions precedent as set out in the Subscription Agreement, the unconditional Specific Mandate in relation to Subscriptions granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Subscription Shares pursuant to the Subscription Agreement be and is hereby confirmed and approved,
- 2. conditional upon the ordinary resolution set out in paragraph 1 of the notice convening this meeting being passed, in relation to the Employee Subscription Agreements**
- (a) the employee subscription agreements dated 24 May 2016 (the “**Employee Subscription Agreements**”) entered into between the Company and each of the Employee Subscribers (as defined in the Circular), the material terms of which are set out in the Circular, be and are hereby approved and confirmed;
 - (b) the Employee Subscriptions (as defined in the Circular) in relation to 85,000,000 new ordinary Shares (the “**Employee Subscription Shares**”) of the Company at a price of HK\$2.6 per Employee Subscription Share by the Employee Subscribers (as defined in the Circular) under the Employee Subscription Agreements, be and are hereby approved;
 - (c) the execution of the Employee Subscription Agreements and any other agreements, documents and actions taken or to be taken in connection with the Employee Subscriptions (including the allotment and issue by the Company of the Employee Subscription Shares) by any Director, notwithstanding any interest he may have in any matters in connection with the Employee Subscriptions, be and are hereby approved, confirmed and ratified;
 - (d) any Director be and is hereby authorised to do all acts and things and execute any agreements, deeds, instruments and any other documents, under hand or under seal, or make such arrangement as he/she may determine to be appropriate, necessary or desirable to give effect to or in connection with the Employee Subscriptions and the allotment and issue of the Employee Subscription Shares and, subject to and in accordance with the applicable law

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and regulations, to approve and make such immaterial variation, amendment, supplement or waiver of immaterial matters relating to the Employee Subscriptions in the interests of the Company and its shareholders as a whole; and

- (e) subject to and conditional upon (i) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Employee Subscription Shares; and (ii) the fulfillment of other conditions precedent as set out in the Employee Subscription Agreement, the unconditional Specific Mandate in relation to Employee Subscriptions granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Employee Subscription Shares pursuant to the Employee Subscription Agreements be and is hereby confirmed and approved.”

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

Hong Kong, 27 June 2016

Notes:

1. The register of members of the Company will be closed from Thursday, 14 July 2016 to Friday, 15 July 2016, both days inclusive, during which no transfers of Shares will be registered. In order to qualify for attendance and voting at the EGM, all transfer documents should be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong 4:30 p.m. on Wednesday, 13 July 2016.
2. The ordinary resolutions set out in this Notice of EGM will be voted on by poll.
3. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote for him. A proxy need not be a member of the Company.
4. A form of proxy for use at the EGM is enclosed. To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for holding the EGM or any adjournment of it.
5. Where there are joint holders of any share, any one of such holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he were solely entitled to vote, but if more than one of such joint holders are present at the EGM in person or by proxy, the person so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it.
6. Completion and return of the form of proxy will not preclude a member from attending the EGM and voting in person at the EGM or any adjourned meeting if he so desires. If a member attends the EGM after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
7. The Connected Subscribers and their respective associates (as defined in the Listing Rules) (to the extent they have an existing interest in the Shares) and China Foods (Holdings) Limited are required to abstain from voting on the above ordinary resolution no. 1, in relation to the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate in relation to Subscriptions for the allotment and issue of the Subscription Shares.

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8. The Employee Subscribers and their respective associates (as defined in the Listing Rules) (to the extent they have an existing interest in the Shares) are required to abstain from voting on the above ordinary resolution no. 2, in relation to the Employee Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate in relation to Employee Subscriptions for the allotment and issue of the Employee Subscription Shares.
9. The ordinary resolutions as set out above will be determined by way of a poll.