

15 January 2024

Dear Greatview Aseptic Shareholders,

We are writing to you in connection with the Extraordinary General Meeting (“EGM”) for the appointment of directors. The EGM is scheduled to be held on 26 January 2024.

As you may be aware, we have put forward five shareholder resolutions at the upcoming EGM. We feel strongly that our proposed resolutions are in the best interest of all shareholders, and are reasonable and proportionate to the challenges and continued governance failings of the Company. Set out below are some key issues we believe you should consider when assessing the EGM proposals.

1. The existing Board is unable to act impartially and act in the best interests of all shareholders. The appointment of new directors would enhance protection of the interests of all shareholders.

We noted that under the leadership of the existing Board and senior management, the operation of the Company remains unsatisfactory, in particular:

(1) The Company has not declared any dividend since 2021

(2) The Company's gross profit margin is lower than its comparable companies

Since 2020, the gross profit margin of the Company has continuously declined. In 2020, 2021, 2022, and the first half of 2023, the Company's gross profit margin was 26.51%, 20.14%, 14.93% and 15.72% respectively, which is lower than its comparable companies, leaving room for the Board to improve its business operations

(3) As of 10 January 2024, the Company's market capitalization has decreased by 64% since its listing in Hong Kong, from HK\$6.6 billion to HK\$2.4 billion, resulting in the Company being removed as a constituent to the Morgan Stanley Capital International (MSCI) Index on 30 November 2022

2. Given the undiversified composition of the Board, the appointment of the new directors equipped with respective expertise in the industry, corporate governance, finance and accounting aspects will complement competency of the Board

(1) The current Board is lacking diversity leading to forth-mentioned unsatisfactory performance

- i. Mr. Bi Hua (executive director of the Company), Mr. Hong Gang (Chairman of the Board) and Mr. Chang Fuquan (executive director of the Company) holds 9.65%, 5.85% and 0.34% of the shareholding interest in the Company respectively and in aggregate representing a total shareholding interest of 15.84%;
- ii. Bulk of the Board composition consists of senior management team of the Company, namely Mr. Hong Gang, Mr. Bi Hua and Mr. Chang Fuquan; and
- iii. Mr. Wang Bangsheng, the newly appointed non-executive director of the Company, is the general manager of the procurement management department of Tianjin New Value Supply Chain Co., Ltd., which is a wholly-owned subsidiary of Mengniu. As Mengniu is one of the major customers of the Company, and Mengniu has entered into a subscription agreement for shares in the Company, Mr. Wang Bangsheng is not independent from the Company.

(2) In order to diversify and strengthen the supervisory role and prevent the Board from becoming a proxy agent of the management team without independent judgements, we propose 3 categories of professionals to be appointed to the Board to improve the existing situation and to resolve the issues as described herein:

i. **Industry experience with extensive networks**

Mr. Wang Hang possesses extensive industry and investment experience resulting from his senior management roles in various companies since 2001 enabling him to provide valuable investment advice to the Company.

Mr. Wang Hang has also served as the vice chairman of the board of directors of a private enterprise principally engaged in modern agriculture and food industry, and thus he has relatively extensive knowledge and understanding of the requirements of aseptic packaging materials for such related products.

ii. **Corporate governance**

Mr. Carson Wen has been practicing law for over 30 years, and was a partner and then of counsel at Jones Day, and he is also a Justice of Peace in Hong Kong, with extensive experience in corporate governance and listing compliance matters. If being appointed as an independent non-executive director to the Company, Mr. Carson Wen can provide advice to the Company in such areas.

iii. **Financial and accounting expertise/ ESG issues**

a. *Mr. Yau Pak Yue* is a certified public accountant in Hong Kong and a certified practicing accountant in Australia, he was a partner at one of the big four international accounting firms and served as director of the board of several Hong Kong listed companies.

b. *Mr. Choi Wai Hong, Clifford* holds accounting and tax qualifications in several jurisdictions, he worked at one of the big four international accounting firms and served as director of the board of various Hong Kong listed companies.

c. *Mr. Lin San Fu* worked at one of the big four international accounting firms for many years and took up senior management roles in various companies.

(3) We recommend shareholders to vote in favour of all resolutions in respect of the appointment of ALL FIVE directors, the merits are summarized below:

i. To improve the diversity of the composition of the Board to enable it to act in the best interest of all shareholders of the Company:

- a. to independently supervise the management of the Company;
- b. to provide objective advice to the Board on dividend policy, cost and expense control, improvement of operation efficiency and other aspects which shareholders are concerned about; and
- c. to enable the Company to leapfrog in new product developments and thus maximize shareholders' return as a result.

ii. **In the event that you are of the view that the appointment of all the proposed directors will lower the ratio of the independent non-executive directors on the Board, you may consider appointing a candidate from each of the 3 forth-mentioned categories, namely:**

- a. Mr. Wang Hang, who has industry experience and extensive networks;
- b. Mr. Carson Wen, who has extensive experience in corporate governance and legal compliance; and
- c. a candidate from the forth-mentioned "Financial and accounting expertise/ ESG issues" category (together with (a) and (b) above, the "Nominated Directors").

iii. The appointment of the Nominated Directors will enable the Board to independently supervise the management of the Company and maintain the independence of the Board, whilst the ratio of independent non-executive directors on the Board will only decrease marginally from 43% to 40%.

3. The concerns over the appointment of the new directors mentioned in the “Observation of the Board” in the Circular are unconvincing

(1) Leakage of business secrets and reduction of client orders

- i. Mr. Wang's experience and connections will enable the Company to better understand the market, expand its client base, and improve its performance.**
 - a. Mr. Wang has more than 20 years of industry experience in the food and consumer industries, and has senior management experience in the banking and investment fields; and
 - b. Mr. Wang, as the founder of Hosen Capital (a well-known PE investment fund in China), has invested in many companies. Protecting business secrets and preventing conflict of interest are his investment principles.
 - c. He also has an in-depth understanding of the Hong Kong listing rules. In particular, he is well aware that a director of a listed company should not act for a specific shareholder's benefit, but should act in the best interests of the company and its shareholders as a whole.
- ii. In the aseptic packaging industry, it is fairly common that a supplier supplies to several aseptic packaging clients at the same time.**
 - a. For instance, international aseptic packaging companies like Tetra Pak and SIG Group, dominating the local and global markets, have been serving various customers concurrently; and
 - b. As a leading supplier in the aseptic packaging industry, the Company ought to have a comprehensive information management mechanism in place to protect sensitive information of all customers and possess the capability to serve several major customers at the same time.
- iii. Newjf manifests strong records in maintaining confidentiality of customer information whilst keeping good customer relationships.**
 - a. Newjf has established long-term relationships with milk and non-carbonated beverage manufacturers; and
 - b. Newjf has provided high-quality aseptic packaging for domestic renowned liquid milk manufacturers such as Yili, New Hope, Xiajin Milk, Europe Asia, Zhuangyuan Pasture and non-carbonated beverage manufacturers such as Wanglaoji and Eastroc.
- iv. Based on our understanding from the industry and the financial results announced by the Company, Newjf's investment in the Company has not adversely affected the purchase orders from the existing customers of the Company.**
 - a. The Board mentioned that the Company's orders from some of its major clients would decline due to the acquisition of shares in the Company by Newjf in the announcement of the Company dated 9 March 2024. This misleading information may have contributed to the continuous decline of share price of the Company; and
 - b. The major customers of the Company continue to support the Company and there is no evidence that they will discontinue their cooperation or business relationship with the Company.
- v. Same analogy that other customers of the Company shall cast concerns regarding the new appointment of Mr. Wang Bangsheng as a non-executive director to the Company who is the general manager of a wholly-owned subsidiary of Mengniu, being the largest customer of the Company, shall apply if the current Board's concern is valid.**

(2) Credit facilities withdrawn by one of the banks

According to paragraph 6 under the section headed “Observation of the Board” in the Circular, it is mentioned that more banks and financial institutions may withdraw their financial support

to the Company if the proposed appointment takes effect. We do not consider this to be a valid concern:

- i. **Based on our understanding, a number of banks have recently expressed their willingness to provide financing support to the Company with more favorable terms to facilitate its development.** Meanwhile, Mr. Wang Hang, who has extensive experience and resources in the banking and financial industries, is able to strengthen the cooperation between the Company and the banks and financial institutions upon his appointment.
- ii. **There is no commercial reason for banks to withdraw existing credit facilities merely because of Newjf's shareholding and the proposed appointment of directors** given that:
 - a. The Company is cash abundant with low debt ratio, and is listed on the Hong Kong Stock Exchange with good credit records; and
 - b. Newjf is listed on the Shenzhen Stock Exchange, with transparent financial status and has maintained good business relationships with a large number of banks for a long period of time.

We welcome any discussion with our Greatview Aseptic shareholders and are happy to further explain the rationale of our proposed candidates. If you would like to discuss the EGM proposals with us, please feel free to contact us and Georgeson.

Regards

Jingfeng Holding Limited