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4Q
2017

Toppan Leefung's New Family Member – Darui Packaging

Text: Jason Dai (Yau Yue)

After a long search of over three years for an acquisition in the packaging business, we finally found Shanghai Darui Packaging Co., Ltd, a flexi packaging company. Negotiations with its owner and founder successfully culminated in a signed Sale & Purchase Agreement on 8 November 2017. Shanghai Darui Packaging Co., Ltd (“Darui Packaging”), officially joins the Toppan Leefung family and opens up a new business sector for our Group!

In March this year, Mr Chia Yan Heng was given the mandate by Mr Yeo Chee Tong, our Group CEO to spear-head the search for packaging-related M&As. I had the privilege to assist and participate in the whole process of acquiring Darui Packaging and I take this opportunity to share my experience with you.

We initiated communications with Darui Packaging in June this year. In the three months before we had travelled to Hunan, Hubei, Tianjin, Chongqing, Shanghai, Zhejiang and other places in China to visit potential targets for acquisition in the packaging industry. For various reasons however, none of them culminated in a signed Memorandum of Understanding (MOU). This made me realize how challenging our M&A search had been in the past three years.



In June, an intermediary put us in touch with Darui Packaging, a soft packaging company that specializes in medium and high-end pet food packaging bags. We met with the founder of the company, Mr Li Daobian, several times. His sincere attitude and down-to-earth working style made our communications go smoothly. On 15 July, Mr Yeo met up with him for the first time. The valuation of Darui Packaging, acquisition offer and other important issues were negotiated, confirmed and the MOU was prepared for signing. It was at this point that we encountered our first obstacle in the M&A

- 1 Toppan Leefung's New Family Member
- Darui Packaging
凸版利丰大家庭软包装新成员—大锐包装
- 4 Republic Advertising Wins Two Awards
Republic Advertising 摘得大奖
- 5 Vintage's Global Design Recognition
凸版快捷财经印刷的设计能力获全球称许
- 8 北京利丰印制作品获第六届中华印制大奖金奖
- 9 Connect Talk- Trevor Loe
《你我》聊聊— Trevor Loe
- 12 Connect Talk- Li Guanghai
《你我》聊聊— 李光海
- 15 Vintage Beijing Staff's Outing
平谷石林峡游玩记
- 17 Singapore Staff Running for Charity
新加坡员工参加储蓄银行百盛儿童慈善义跑
- 19 异乡人 中秋情
——北京利丰迎中秋联欢晚会
- 20 Leefung Shanghai Joins 8th Toppan Sports Activities
第八届凸版集团运动会参赛纪事
- 22 【特邀专栏】袁福寅: I, Robot
- 24 Ku's Column - Born Lucky



process – the current factory site of Darui Packaging is to be reclaimed by the local government for development purposes and Darui Packaging will have to relocate within next six months. Parties discussed this matter over the next two months before coming up with four possible solutions. The MOU was finally signed on 8 September. Shortly thereafter on 12 September, a due diligence team comprising personnel from finance, audit, legal, HR, production and other departments was set up to study, evaluate and compare Darui Packaging's corporate set up and operations. This was not an easy task, especially for Marie (Leefung Group's Internal Audit VP) and her team who had to gather information in the day, analyze them and prepare reports in the night on a daily basis. Fortunately, with a lot of co-operation from Darui Packaging staff, this daunting task was completed within a week and the final report was submitted to Tokyo HQ.

Over the next month or so, we had many rounds of discussion with the Darui Packaging team on issues that surfaced during the due diligence process. These included environmental protection issues, patent issues, etc., all of which were satisfactorily resolved in the end. Mr Yeo Chee Tong, Group CEO and Mr Chia Yan Heng then went to Tokyo to present this acquisition proposal to Toppan's Board of Directors for approval. Toppan's Board gave its approval to acquire Darui Packaging on 26 October. Mr Yeo immediately informed Darui Packaging's founder and set up an appointment to sign the Sale & Purchase Agreement on 8 November.

Reflecting on the whole process with all its uncertainties in the past five months, I believe it was our perseverance, wisdom, sincerity and show of good faith that gave the owners and management of Darui Packaging confidence to trust us. I also believe that Darui Packaging will strengthen and grow with help and support from its new family, the Toppan Leefung Group.

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凸版利丰大家庭软包装 新成员——大锐包装

文/戴竟成（东莞有余）

2017年11月8日，随着《股权购买协议》的签署完成，历时3年多的M&A辛苦过程，第一家软包装公司——上海大锐包装有限公司正式加入凸版利丰大家庭，成为了我们集团新的业务模块！

今年的3月份，谢炎兴先生被总裁委任负责接下来集团M&A工作，我有幸从旁协助并全程参与了大锐包装的并购的每一个阶段，借着这个平台，同大家分享一下整个并购过程的重要片段：

大锐包装是我们在今年6月份开始接触，在此之前的三个月时间，我们先后走了湖南、湖北、天津、重庆、上海、浙江等多个地方，考察了多家包装业并购标的，因为各种原因，都没有能够签署MOU（合作意向书），也让我明白了之前三年我们并购的路是多么的艰辛和不易。

6月份我们通过中间渠道接触到了大锐包装，大锐包装是一家专业生产中高端宠物食品包装袋的软包装公司，公司创始人李道编先生真诚的态度，踏实的作风让我们初期的两三次的接触比较顺利，在此基础上，2017年7月15日，总裁同大锐的创始人进行了第一次面谈，明确了公司估值，并购方式等几项重要的事项，并着手签订MOU，随后我们遇到了并购过程中第一个难题——并购后公司的新厂址的选定，大锐包装目前的厂址因为政府要求以及自身发展需要，需要在半年内搬迁，我们双方在这个问题上先后讨论了4种解决方案，历经两个月时间，最终落实方案并在9月8日签署了双方的MOU，9月12日开始，一个由财务、审计、法律、人事、生产等各环节专业人员组成的尽调团队陆续

到位对大锐包装进行了尽职调查，尽职调查中因为中国传统民营企业和我们集团公司运营方式，财务规则，管理制度等各方面的不同，尽调的任务不轻，特别是Marie（利丰集团内审副总裁）带队的财务团队，白天搜集资料，夜里加班做报表，天天如此，最终我们团队在大锐包装各部门的配合下，用了一周的时间，完成了尽职调查形成了报告汇报东京总部。

接下来我们用了一个多月的时间，就尽职调查发现的一系列问题，同大锐包装进行了一轮又一轮的洽谈，有环保问题，专利问题等，每一个问题最终通过双方的努力，都得到了妥善的处理和解决，总裁和谢总亲自飞过去东京参加投资说明会，向各位董事详细说明并解释了并购案的各项问题，得到了总部董事们的支持，最终，我们通过了2017年10月26日召开的东京董事会的一致通过。得到了这个好消息后，总裁第一时间同大锐包装分享了这个消息，并约定于11月8日双方签订并购协议。

回想整个过程，在充满了不确定性的五个月时间里，我们用我们的坚持、智慧、包容、真诚赢得了大锐包装管理层的信任，我也相信在接下来的时间里，大锐包装会在凸版利丰的大家庭的支持下，做大做强，再创辉煌！

