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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Changes (%)
	2022 RMB'000	2021 RMB'000	
Revenue	10,255,225	9,566,382	7.2
EBITDA	1,147,316	1,071,883	7.0
Net profit attributable to equity holders of the Company	486,512	462,498	5.2
Basic earnings per share	RMB0.437	RMB0.415	5.3
Dividends (HK cents)			
– Interim	13.9	13.5	
– Final (proposed)	11.0	11.5	
	<u>24.9</u>	<u>25.0</u>	(0.4)

- The Board recommended the payment of a final dividend of RMB0.098 (equivalent to HK11.0 cents) per share for the year ended 31 December 2022 to the equity holders of the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of CPMC Holdings Limited (the “**Company**”) presents the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2022 together with the comparative figures for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December

	<i>Note</i>	2022 RMB’000	2021 <i>RMB’000</i>
Revenue	4	10,255,225	9,566,382
Cost of sales	7(a)	<u>(8,973,085)</u>	<u>(8,236,171)</u>
Gross profit		1,282,140	1,330,211
Other income, gains and losses	5	224,853	142,245
Selling and marketing expenses		(393,955)	(409,853)
Administrative expenses		(431,206)	(431,922)
Finance costs	6	(87,717)	(65,590)
Share of results of joint ventures		<u>1,978</u>	<u>1,568</u>
Profit before income tax	7	596,093	566,659
Income tax expense	8	<u>(111,415)</u>	<u>(93,200)</u>
Profit for the year		<u>484,678</u>	<u>473,459</u>
Attributable to:			
Equity holders of the Company		486,512	462,498
Non-controlling interests		<u>(1,834)</u>	<u>10,961</u>
		<u>484,678</u>	<u>473,459</u>
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted	10	<u>RMB0.437</u>	<u>RMB0.415</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit for the year	<u>484,678</u>	<u>473,459</u>
Other comprehensive (expense)/income		
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>		
– Exchange differences arising on translation of foreign operations (with nil tax effect)	<u>(344,029)</u>	<u>80,180</u>
Other comprehensive (expense)/income for the year, net of tax	<u>(344,029)</u>	<u>80,180</u>
Total comprehensive income for the year	<u>140,649</u>	<u>553,639</u>
Attributable to:		
Equity holders of the Company	140,432	549,508
Non-controlling interests	<u>217</u>	<u>4,131</u>
	<u>140,649</u>	<u>553,639</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	<i>Note</i>	2022 RMB'000	2021 RMB'000
Non-current assets			
Property, plant and equipment		5,730,086	5,300,403
Right-of-use assets		420,458	386,298
Goodwill		233,973	233,973
Other intangible assets		20,270	22,317
Interests in joint ventures		20,917	14,259
Deposits for purchase of items of property, plant and equipment		189,129	193,492
Prepayments		44,299	38,795
Deferred tax assets		24,811	35,558
Total non-current assets		6,683,943	6,225,095
Current assets			
Inventories		1,770,419	1,903,650
Trade and bills receivables	11	2,738,201	2,488,620
Prepayments, other receivables and other assets		386,109	415,379
Tax recoverable		24	5,448
Pledged deposits and restricted deposit		115,743	36,327
Cash and cash equivalents		2,380,067	1,917,295
Total current assets		7,390,563	6,766,719
Current liabilities			
Trade and bills payables	12	2,422,478	2,323,753
Other payables and accruals		504,894	467,956
Lease liabilities		12,002	13,510
Interest-bearing bank borrowings		3,824,249	2,071,145
Tax payable		64,770	15,543
Total current liabilities		6,828,393	4,891,907
Net current assets		562,170	1,874,812
Total assets less current liabilities		7,246,113	8,099,907

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current liabilities		
Government grants	13,604	14,485
Interest-bearing bank borrowings	1,387,199	2,143,137
Lease liabilities	64,852	62,376
Deferred tax liabilities	52,056	60,870
	<u>1,517,711</u>	<u>2,280,868</u>
Total non-current liabilities		
	<u>1,517,711</u>	<u>2,280,868</u>
Net assets	<u>5,728,402</u>	<u>5,819,039</u>
Equity		
Equity attributable to equity holders of the Company		
Share capital	2,730,433	2,730,433
Reserves	2,648,311	2,747,265
	<u>5,378,744</u>	<u>5,477,698</u>
Non-controlling interests	349,658	341,341
	<u>349,658</u>	<u>341,341</u>
Total equity	<u>5,728,402</u>	<u>5,819,039</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December

	Note	2022 RMB'000	2021 RMB'000
Cash flows from operating activities			
Profit before income tax		596,093	566,659
Adjustments for:			
Finance costs	6	87,717	65,590
Interest income	5	(30,703)	(25,872)
Loss on disposal of property, plant and equipment	5	6,744	18,148
Write-off of other intangible assets	7(c)	–	1,540
Gain on disposal of a subsidiary	5	(60,128)	–
Share of results of joint ventures		(1,978)	(1,568)
Committed dividend income from a former joint venture	5	(68,643)	(119,000)
Depreciation of property, plant and equipment	7(c)	434,044	411,273
Depreciation of right-of-use assets	7(c)	26,280	23,947
Amortisation of other intangible assets	7(c)	3,182	4,414
Impairment loss recognised/(reversed) of trade receivables, prepayments and other assets, net	7(c)	3,545	(7)
Amortisation of government grants		(1,210)	(1,245)
Foreign exchange differences, net		15,959	(10,830)
Operating profit before changes in working capital		1,010,902	933,049
Decrease/(increase) in inventories		133,231	(656,138)
Increase in trade and bills receivables		(250,873)	(335,053)
Decrease/(increase) in prepayments, other receivables and other assets		41,575	(80,811)
(Increase)/decrease in pledged deposits and restricted deposit		(50,202)	61,080
Increase in trade and bills payables		98,725	873,905
Increase in other payables and accruals		63,767	20,047
Cash generated from operations		1,047,125	816,079
Interest paid		(97,831)	(71,080)
PRC Enterprise Income Tax paid		(54,744)	(92,772)
Net cash generated from operating activities		894,550	652,227

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from investing activities		
Interest received	30,703	25,872
Committed dividends received from a former joint venture	68,643	119,000
Purchase of property, plant and equipment	(714,696)	(523,432)
Deposits paid for purchase of property, plant and equipment	(191,865)	(134,041)
Proceeds from disposal of property, plant and equipment	3,242	9,541
Addition to prepayments, other receivables and other assets	(16,297)	(8,881)
Additions to leasehold lands	(48,388)	(2,631)
Additions to other intangible assets	(1,084)	(4,896)
Investments in joint ventures	(4,680)	(4,320)
Deposits paid for other non-current assets	(2,400)	–
Deposits refunded for other non-current assets	1,680	–
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	67,679	–
Receipt of government grants for property, plant and equipment	<u>–</u>	<u>13,720</u>
Net cash used in investing activities	<u>(807,463)</u>	<u>(510,068)</u>

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Cash flows from financing activities		
New bank loans raised	1,383,415	1,061,063
Repayments of bank loans	(784,109)	(968,488)
Repayments of lease liabilities	(15,017)	(14,519)
Interest paid on lease liabilities	(1,966)	(2,000)
Dividends paid	(239,386)	(289,490)
Capital contributions from non-controlling shareholders	8,100	51,927
Loan advanced from a non-controlling shareholder of a subsidiary	64,895	–
Loan repaid to a non-controlling shareholder of a subsidiary	(69,777)	–
Net cash generated from/(used) in financing activities	<u>346,155</u>	<u>(161,507)</u>
Net increase/(decrease) in cash and cash equivalents	433,242	(19,348)
Cash and cash equivalents at beginning of year	1,917,295	1,944,230
Effect of foreign exchange rate changes, net	29,530	(7,587)
Cash and cash equivalents at end of year	<u>2,380,067</u>	<u>1,917,295</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	1,490,067	1,780,295
Deposits in COFCO Finance Company Limited (“COFCO Finance”), a subsidiary of COFCO Corporation	890,000	137,000
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows	<u>2,380,067</u>	<u>1,917,295</u>

NOTES:

1 CORPORATE AND INFORMATION OF THE GROUP

CPMC Holdings Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong. On 16 November 2009, the Company listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at 33/F., COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the manufacture of packaging products, including beverage cans, milk powder cans, aerosol cans, metal caps, steel barrels and plastic packaging in the People’s Republic of China (the “**PRC**”).

As at 31 December 2022, (i) COFCO (Hong Kong) Limited (“**COFCO (Hong Kong)**”) beneficially held approximately 29.70% (2021: 29.70%) of the issued shares of the Company, being the single largest shareholder of the Company; and (ii) 奧瑞金科技股份有限公司 (ORG Technology Co. Ltd.*) (“**ORG Technology**”) beneficially held approximately 24.40% (2021: 24.40%) of the issued shares of the Company, being the second largest shareholder of the Company. COFCO (Hong Kong) is a company incorporated in Hong Kong and ultimately held by COFCO Corporation (“**COFCO**”), a state-owned enterprise registered in the PRC. ORG Technology is a company established in the PRC and listed on the Shenzhen Stock Exchange.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments which have been measured at fair value. These consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

* For identification purposes only.

The unaudited financial information relating to the year ended 31 December 2022 and the financial information relating to the year ended 31 December 2021 included in this preliminary announcement of 2022 annual results do not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2021, is derived from those consolidated financial statements. Further information relating to these statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The consolidated financial statements for the year ended 31 December 2022 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies of Hong Kong in due course.

The Company has delivered the consolidated financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2021. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent and uniform accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvement to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The application of the amendments to HKFRSs in current year has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group has one operating segment of packaging products, which can be analysed by three business units based on their products and services as follows:

- (a) Tinplate packaging – the Group uses tinplate as the main raw material for its tinplate packaging products, which include milk powder cans, aerosol cans, metal caps, steel barrels, and other metal packaging;
- (b) Aluminium packaging – the Group uses aluminium as the main raw material for its aluminium packaging products, which mainly consist of two-piece beverage cans and one-piece bottles; and
- (c) Plastic packaging – the Group’s plastic packaging products are mainly used for milk bottles, shampoo bottles, plastic devices of electronic products, daily use hardware, package printing, sports drink bottles and related plastic-made products.

Management monitors the results of the Group’s business units separately for the purpose of making decisions about resource allocation and performance assessment. The performance for each of the business unit is evaluated based on revenue, as explained below:

	2022	2021
	<i>RMB’000</i>	<i>RMB’000</i>
Tinplate packaging	4,212,735	4,461,124
Aluminium packaging	5,368,106	4,463,374
Plastic packaging	674,384	641,884
	<u>10,255,225</u>	<u>9,566,382</u>

Geographical information

The Group's revenue from external customers is based on the location of customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets (Note)	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Mainland China	9,572,088	8,846,844	5,949,467	5,700,405
Overseas	<u>683,137</u>	<u>719,538</u>	<u>709,665</u>	<u>489,132</u>
	<u>10,255,225</u>	<u>9,566,382</u>	<u>6,659,132</u>	<u>6,189,537</u>

Note: Non-current assets excluded deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2022 RMB'000	2021 RMB'000
Customer A	1,380,647	1,348,089
Customer B	<u>1,101,412</u>	<u>N/A*</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4 REVENUE

An analysis of revenue is as follows:

	2022 RMB'000	2021 RMB'000
Revenue from contracts with customers		
Sale of packaging products	<u>10,255,225</u>	<u>9,566,382</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
By type of goods		
Tinplate packaging	4,212,735	4,461,124
Aluminium packaging	5,368,106	4,463,374
Plastic packaging	<u>674,384</u>	<u>641,884</u>
Total revenue from contracts with customers	<u><u>10,255,225</u></u>	<u><u>9,566,382</u></u>
By geographical markets		
Mainland China	9,572,088	8,846,844
Overseas	<u>683,137</u>	<u>719,538</u>
Total revenue from contracts with customers	<u><u>10,255,225</u></u>	<u><u>9,566,382</u></u>

All of the Group's revenue from contracts with customers is recognised at a point in time when the goods are transferred.

5 OTHER INCOME, GAINS AND LOSSES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Other income		
Bank interest income	15,608	11,370
Interest income from COFCO Finance	15,095	14,502
Committed dividend income from a former joint venture (<i>Note (a)</i>)	68,643	119,000
Government grants (<i>Note (b)</i>)	34,122	14,012
Rental income	3,008	3,788
	<u>136,476</u>	<u>162,672</u>
Other gains and losses		
Loss on disposal of property, plant and equipment	(6,744)	(18,148)
Foreign exchange differences, net	23,318	(12,840)
Gain on disposal of a subsidiary	60,128	–
Other gains (<i>Note (c)</i>)	11,675	10,561
	<u>88,377</u>	<u>(20,427)</u>
	<u><u>224,853</u></u>	<u><u>142,245</u></u>

Notes:

- (a) Based on the instalment payment schedule as set out in the repurchase agreement dated 28 April 2020, during the year ended 31 December 2022, the Group received the sixth and seventh instalments of committed dividend from a former joint venture, Qingyuan JDB Herbal Plant Technology Co., Ltd., amounting to RMB68,643,000 (2021: the third, fourth and fifth instalments of committed dividend of RMB119,000,000).
- (b) The government grants are mainly granted by the local authorities in the PRC to support local entities. There are no unfulfilled conditions or contingencies relating to these grants.
- (c) Other gains mainly consist of gains from the sales of waste materials or unused raw materials from the manufacturing process.

6 FINANCE COSTS

An analysis of finance costs is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on bank loans	101,964	71,080
Interest on lease liabilities	1,966	2,000
Interest on loan from non-controlling shareholder of a subsidiary	564	–
	<u>104,494</u>	<u>73,080</u>
Less: Interest capitalised	<u>(16,777)</u>	<u>(7,490)</u>
	<u><u>87,717</u></u>	<u><u>65,590</u></u>

7 PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging/(crediting):

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(a) Cost of sales		
Cost of inventories sold	8,978,268	8,208,588
Realised and unrealised fair value (gains)/losses on derivative financial instruments, net	<u>(5,183)</u>	<u>27,583</u>
	<u><u>8,973,085</u></u>	<u><u>8,236,171</u></u>
(b) Staff costs (including directors' and chief executive's remuneration)		
Wages and salaries	669,876	658,714
Pension scheme contributions**	70,764	58,657
Other benefits	<u>58,525</u>	<u>52,109</u>
	<u><u>799,165</u></u>	<u><u>769,480</u></u>

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(c) Other items		
Depreciation of property, plant and equipment	434,044	411,273
Depreciation of right-of-use assets	26,280	23,947
Amortisation of other intangible assets*	3,182	4,414
Research and development costs*	93,366	90,053
Impairment losses recognised/(reversed) under expected credit loss model, net:		
– Trade receivables*	1,292	22
– Prepayments, other receivables and other assets*	2,253	(29)
Write-off of other intangible assets*	<u>–</u>	<u>1,540</u>
Auditor's remuneration:		
– Audit service	1,700	1,700
– Non-audit services	<u>700</u>	<u>700</u>
	<u>2,400</u>	<u>2,400</u>

* The research and development costs, impairment losses of trade receivables, prepayments, other receivables and other assets are included in administrative expenses in the consolidated statement of profit or loss. Write-off of other intangible assets are included in other gains and losses in the consolidated statement of profit or loss. Amortisation of other intangible assets is included in cost of sales and administrative expenses in the consolidated statement of profit or loss.

** As at 31 December 2022, there are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions (2021: Nil).

8 INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2021: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
PRC Enterprise Income tax		
Current tax	126,378	87,421
Over-provisions in respect of prior years	(16,905)	(322)
Overseas tax		
Under-provisions in respect of prior years	9	–
Deferred tax	<u>1,933</u>	<u>6,101</u>
	<u>111,415</u>	<u>93,200</u>

Pursuant to the approvals issued by the State Administration of Taxation of the PRC during the year ended 31 December 2013, the Company and most of its subsidiaries registered in Hong Kong and the British Virgin Islands are regarded as Chinese Resident Enterprises (collectively the “CREs”) and the relevant enterprise income tax policies of the PRC are applicable to the CREs commencing from 1 January 2013.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries are 25% for both years. Four (2021: Four) of the Group’s subsidiaries operating in the PRC have granted a preferential EIT rate of 15%, by the relevant tax authorities. One (2021: One) of the Group’s subsidiaries are qualified as high-tech enterprises in the PRC, and the relevant tax authorities have granted the subsidiary a preferential EIT rate of 15%. One (2021: One) of the Group’s subsidiaries are qualified as small enterprises earning low profits in the PRC, and the relevant tax authorities have granted the subsidiary preferential EIT rate of 2.5% (2021: 2.5%).

9 DIVIDENDS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interim – RMB0.120 (2021: RMB0.112) per ordinary share	133,611	124,703
Proposed final – RMB0.098 (2021: RMB0.095) per ordinary share	<u>109,115</u>	<u>105,775</u>
	<u><u>242,726</u></u>	<u><u>230,478</u></u>

The proposed final dividend for the year ended 31 December 2022 is subject to the approval by the Company's shareholders at the forthcoming Annual General Meeting.

The final dividend in respect of the year ended 31 December 2021 was proposed by the directors of the Company on 22 March 2022, and subsequently approved at the Company's Annual General Meeting on 30 May 2022 and recognised as distribution during the year ended 31 December 2022.

10 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of RMB486,512,000 (2021: RMB462,498,000) and the weighted average number of ordinary shares of 1,113,423,000 (2021: 1,113,423,000) in issue during the year.

The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The diluted earnings per share for the years ended 31 December 2022 and 2021 was same as the basic earnings per share as there were no potential dilutive ordinary shares in existence in both years.

The calculations of basic and diluted earnings per share are based on:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	<u>486,512</u>	<u>462,498</u>

	Number of shares	
	2022 <i>'000</i>	2021 <i>'000</i>
Shares		
Weighted average number of ordinary shares in issue during the year used in the basis earnings per share calculation	<u>1,113,423</u>	<u>1,113,423</u>

11 TRADE AND BILLS RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables		
– From third parties	2,481,450	2,219,244
– From related parties	<u>80,065</u>	<u>110,482</u>
	2,561,515	2,329,726
Less: Impairments	<u>(3,535)</u>	<u>(2,767)</u>
	2,557,980	2,326,959
Bills receivables	<u>180,221</u>	<u>161,661</u>
Trade and bills receivables	<u><u>2,738,201</u></u>	<u><u>2,488,620</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 to 180 (2021: 30 to 180) days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables related to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's trade receivables from related parties are on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 3 months	1,855,754	1,927,069
3 to 12 months	881,735	560,673
Over 1 year	<u>712</u>	<u>878</u>
	<u><u>2,738,201</u></u>	<u><u>2,488,620</u></u>

12 TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	1,849,725	1,956,331
3 to 12 months	565,169	361,701
Over 1 year	7,584	5,721
	<u>2,422,478</u>	<u>2,323,753</u>

Trade and bills payables are non-interest-bearing and the credit terms are normally 30 to 90 (2021: 30 to 90) days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS DESCRIPTION

The Group is principally engaged in the manufacturing and sale of packaging products used for consumer goods such as food, beverages and household chemical products, extensively covering the packaging markets of tea beverages, carbonated beverages, fruit and vegetable beverages, beer, dairy products, household chemical products and other consumer goods. In addition, the Group provides comprehensive packaging solutions including high technological packaging design, printing, logistics and comprehensive customer services. As a leading metal packaging provider in the PRC, the Group is committed to developing into the leader of the comprehensive consumer goods packaging industry in the PRC. The products of the Group mainly include aluminium packaging, tinplate packaging and plastic packaging. The Group carries out operations through 38 operating subsidiaries and their branches and 2 joint ventures (which are strategically located in different regions of the PRC), an offshore operating subsidiary in order to serve customers more efficiently. Ranking first in multiple market segments, the Group has earned the appreciation and trust of many well-known brands domestically and abroad, and established a solid customer base, including domestically and internationally renowned high-end consumer goods manufacturers.

- **Aluminium Packaging**

The Group uses aluminium as the main raw material for its aluminium packaging products, which mainly include two-piece beverage cans (two-piece cans) and one-piece cans. Aluminium packaging products are characterised by a high degree of automatic production and full product recyclability, etc., and has been one of the Company's core businesses in recent years.

In 2022, the Group has taken active pandemic prevention measures to reduce the impact caused by the resurgence of pandemic, while strengthening the linkage between supply and marketing and reducing costs. In addition, it continued to promote internal tapping and efficiency enhancement, steadily releasing new production capacity, building regional multi-type can supply capacity and enhancing overall competitiveness. Significant growth in sales revenue from aluminium packaging products was achieved during the reporting period. In 2022, the Group's sales revenue from aluminium packaging was approximately RMB5,368 million (2021: approximately RMB4,463 million), increased 20.30% from 2021, accounting for approximately 52.3% of the overall sales (2021: approximately 46.7%). The gross profit margin of the aluminium packaging business was approximately 12.4% in 2022 (2021: approximately 15.5%).

Two-Piece Beverage Cans (Two-Piece Cans)

Two-piece cans products are primarily used for the packaging of beer, carbonated drinks and tea beverages. In 2022, the Group's sales revenue from the two-piece can business was approximately RMB5,186 million (2021: approximately RMB4,288 million), representing an increase of 20.9% over 2021. Renowned customers of the Group's two-piece can business include Anheuser-Busch InBev, Coca-Cola, CR Snow Beer, JDB and Tsingtao Brewery.

One-Piece Cans

One-piece cans products are primarily used for the packaging of household chemical products, beers, carbonated drinks and medical products. In 2022, the Group's sales revenue from one-piece can products was approximately RMB182 million (2021: approximately RMB175 million), representing an increase of 4% over 2021. Renowned customers of the Group's one-piece cans business include Anheuser-Busch InBev, Tsingtao Brewery, Carlsberg, Daizo Group and Sinochem Group, etc.

- **Tinplate Packaging**

The Group uses tinplate as the primary raw material for its tinplate packaging, the products of which include steel barrels, milk powder cans, aerosol cans, metal caps and other metal packaging. The Group is in a leading position in a number of market segments, with steel barrels, milk powder cans, twist caps and aerosol cans ranking No. 1 in market shares nationwide.

In 2022, the Group continued to promote internal tapping to reduce production costs, optimised supply chain management, focused on the research and development of digital and new products, and continued to consolidate the cooperation with core customers. The milk powder cans business continued to maintain its leading position in the niche market. The integrated and standardised construction of steel barrel business steadily improved the gross profit margin through benchmarking management, and further consolidated the leading position in the industry. In 2022, sales revenue from the Group's tinplate packaging business amounted to approximately RMB4,213 million (2021: approximately RMB4,461 million), representing a decrease of approximately 5.6% over 2021, accounting for approximately 41.1% of the overall sales (2021: approximately 46.6%). The gross profit margin of the tinplate packaging business in 2022 was approximately 12.4% (2021: approximately 11.7%).

Steel Barrels

The Group produces steel barrels with a volume of 200 litres or above, which are mainly used for carrying chemical products and raw food ingredients (e.g. bulk edible oil). In 2022, the sales revenue was approximately RMB1,387 million (2021: approximately RMB1,427 million), representing a year-on-year decrease of approximately 2.8%. Renowned customers of the Group's steel barrels business include Wanhua, Sinopec, BASF, Nippon and Exxon Mobil, etc.

Milk Powder Cans

Milk powder cans are mainly used for the packaging of infant formula milk powder, health food and other products. The Group is the largest milk powder can manufacturer in the PRC. In 2022, the sales revenue from the milk powder can business amounted to approximately RMB806 million (2021: approximately RMB737 million), representing a year-on-year increase of approximately 9.4%. Renowned customers of the Group's milk powder cans business include Feihe, Yili, Mengniu, Unilever and Nestle.

Aerosol Cans

Aerosol cans products are primarily used for the packaging of household chemical products (e.g. car maintenance products, alcohol disinfectant, air fresheners, personal care products and pesticides) and other chemical products. In 2022, the Group recorded sales revenue of approximately RMB523 million (2021: approximately RMB617 million), representing a year-on-year decrease of approximately 15.2%. Renowned customers of the Group's aerosol cans business include Gunuo Tianjin, Johnson Shanghai, Shanghai Daizo and Zhongshan Lanju.

Metal Caps

Metal caps products include twist caps and crown caps. In 2022, the Group's sales revenue from the metal caps business amounted to approximately RMB548 million (2021: approximately RMB543 million), representing a year-on-year increase of approximately 0.9%. Renowned customers of the Group's metal caps business include Haiday, Jiajiahong, Huanlejia, Lao Gan Ma, Chubang, China Resources Snow Breweries, Anheuser-Busch InBev and Tsingtao Brewery.

- **Plastic Packaging**

The Group's plastic packaging products are mainly used for the packaging of personal care, household chemical and food and beverage products. In 2022, the customer structure was continuously optimised and the sales proportion of food and beverage customers was increased. In terms of production operations, the degree of automation of production processes continued to increase with the per capita output efficiency improved significantly. The sales revenue from the plastic packaging business was approximately RMB674 million in 2022 (2021: approximately RMB642 million), representing a year-on-year increase of approximately 5.1%, accounting for approximately 6.6% of the total revenue (2021: approximately 6.7%). The gross profit margin of the plastic packaging business in 2022 was approximately 13.8% (2021: approximately 17.8%). Renowned customers of the Group's plastic packaging business include P&G, Reckitt Benckiser, Blue Moon, Haiday, Unilever and SC Johnson.

OUTLOOK FOR 2023

In 2023, the consumer market will show a new development pattern, especially that the recovery of offline consumption scenarios will become the main trend. Firstly, with the gradual optimisation of pandemic prevention and control, the demand for offline consumption scenarios will gradually recover. The restricted consumption demand in the past few years will tend to return to normal, which will boost the vitality of offline consumption market. Secondly, as the economy gradually revives, there will be positive interaction between supply and demand, employment and income. The future income and consumer confidence of residents are recovering, and preventive savings are expected to be progressively released as actual consumption demand. Thirdly, in-depth implementation of the strategy of expanding domestic demand will be in place, and a series of policies to promote consumption will be introduced and carried out. Consumption vouchers will be given out in many cities across China, and the policy effect will gradually emerge, further boosting the consumer market.

In addition, China actively promotes the green and sustainable development agenda for green development and the harmonious coexistence of human and nature. This concept is also reflected in consumers' awareness that they are starting to realise their social responsibility in consumption behaviour and advocate the concept of "responsible consumption". Therefore, consumers are willing to pay premiums for green consumption, and advocating green consumption has become a social consensus.

Against this backdrop, the Group will step up its efforts in low-carbon product innovation and research and development of environmentally friendly products to meet consumers' demand for low-carbon and environmentally friendly product packaging. At the same time, the Group will use "3+N" as a platform to increase its support for investment in digitalisation and informatisation development, enhance its core competitive advantages with intelligentisation and digitalisation to actively improve investment returns, and continue to reward shareholders with good results, and achieve high-quality development.

FINANCIAL REVIEW

For the year ended 31 December 2022, revenue of the Group amounted to approximately RMB10,255 million (2021: approximately RMB9,566 million), representing an increase of approximately RMB689 million or 7.2%. Gross profit margin reached approximately 12.5% in the year of 2022 (2021: approximately 13.9%), representing a decrease as compared with the same period in the previous year. The decrease was primarily due to the prices of raw material increased.

For the year ended 31 December 2022, net profit amounted to approximately RMB485 million (2021: approximately RMB473 million), representing an increase of approximately RMB12 million or 2.4% as compared to the same period in the previous year, primarily due to increase in sales volume and decrease in expenses ratio.

GROUP'S PROFIT

For the year ended 31 December 2022, the Group's profit before income tax was approximately RMB596 million (2021: approximately RMB567 million), representing an increase of approximately RMB29 million or 5.2% as compared to the same period in the previous year.

Finance costs were approximately RMB88 million (2021: approximately RMB66 million), representing an increase of approximately RMB22 million or 33.7% as compared to the same period in the previous year, which was mainly due to the increase in financing scale.

Income tax expenses were approximately RMB111 million (2021: approximately RMB93 million). The effective income tax rate of the Group in 2022 was approximately 18.7% (2021: approximately 16.4%).

CASH FLOW, FINANCIAL RESOURCES AND GEARING RATIO

In 2022, the Group's main sources of funding were cash generated from operating activities and bank loans.

	31 December 2022	31 December 2021
	<i>RMB (million)</i>	<i>RMB (million)</i>
Net assets	5,728	5,819
Cash and cash equivalents	2,380	1,917
Total borrowings	5,211	4,214
Equity attributable to equity holders of the Company	5,379	5,478
Current ratio	1.1	1.4
Gearing ratio*	<u>52.6%</u>	<u>41.9%</u>

* The gearing ratio is calculated as net borrowings divided by equity attributable to equity holders of the Company, in which the net borrowings are calculated as total borrowings less cash and cash equivalents.

As at 31 December 2022, the Group had net assets of approximately RMB5,728 million (31 December 2021: approximately RMB5,819 million). Equity attributable to equity holders of the Company was approximately RMB5,379 million, which has slightly decreased as compared to approximately RMB5,478 million as at 31 December 2021.

The current ratio and gearing ratio as at 31 December 2022 were approximately 1.1 and approximately 52.6%, respectively (31 December 2021: approximately 1.4 and approximately 41.9%, respectively). The current ratio as at 31 December 2022 was approximately 1.1 decreased by 0.3 as compared to 31 December 2021. The increase in gearing ratio from approximately 41.9% as at 31 December 2021 to approximately 52.6% as at 31 December 2022 was mainly due to the decrease in equity attributable to equity holders of the Company and the increase in interest-bearing bank loans. Interest-bearing bank loans were approximately RMB5,211 million as at 31 December 2022. As at 31 December 2022, certain of the Group's bank loans are secured by mortgages over the Group's properties, plants and equipments, which had a net carrying value at the end of the reporting period of approximately RMB325 million (31 December 2021: RMB64 million).

CAPITAL EXPENDITURE, COMMITMENTS AND CONTINGENT LIABILITIES

For the year ended 31 December 2022, the Group's capital expenditure was approximately RMB977 million, which was as follows:

	RMB million	Percentage of capital expenditure
Belgium project	197	20.2%
Two-piece cans project	420	43.0%
Tinplate project	143	14.6%
Plastics project	63	6.4%
Steel barrels project	79	8.1%
Other equipment purchases	<u>75</u>	<u>7.7%</u>
Total	<u><u>977</u></u>	<u><u>100.0%</u></u>

As at 31 December 2022, the Group had the following capital commitments:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Contracted for, but not provided for in the consolidated financial statements:		
Property, plant and equipment	463,023	459,311
Capital contribution payable to a joint venture	<u>–</u>	<u>4,680</u>

As at 31 December 2022, save as mentioned above, the Group had no other significant commitments and contingent liabilities.

FOREIGN EXCHANGE RISK

The Group's main operations are located in China. Other than some of the bank loans and bank deposits which are denominated in U.S. dollars, Euros and Hong Kong dollars, most of the assets, income, payments and cash balances are denominated in RMB. The Directors consider that exchange rate fluctuations have no significant impact on the Group's results.

HUMAN RESOURCES

As at 31 December 2022, the Group had 5,945 full-time employees (2021: 6,049), of which approximately 1,598 were engineers and technical staff or employees with higher education backgrounds. The table below shows the number of employees of the Group by function as at 31 December 2022:

Function	No. of employees	Percentage of total no. of employees
Management and Administration	610	10.3%
Sales and Marketing	249	4.2%
Research and Development in Technology and Engineering	823	13.8%
Production and Quality Control	4,263	71.7%
Total	5,945	100.0%

As at 31 December 2022, the Group's total staff cost was approximately RMB799 million, as compared to RMB769 million in the same period last year. The Group determined the salary of the employees based on their performance, the standard of salary in the respective regions, and the industry and market conditions. The benefits of the employees in the mainland China included pension fund, medical insurance, unemployment insurance, maternity insurance and employment-related injury insurance and housing fund contributions. In addition to the requirements of the PRC law, the Group has made voluntary contributions to an annuity plan, which was implemented with effect from 1 January 2009, for the benefit of the Group's employees when they reach certain seniority. The benefits of the employees in Hong Kong included mandatory provident fund, life insurance and medical insurance.

FINAL DIVIDENDS

The Directors recommended the payment of a final dividend of RMB0.098 (equivalent to HK11.0 cents) per ordinary Share (2021 final dividend: RMB0.095 (equivalent to HK11.5 cents)) for the year ended 31 December 2022 subject to the approval obtained at the annual general meeting to be held on 29 May 2023 (the “**2023 AGM**”). An interim dividend of RMB0.120 (equivalent to HK13.9 cents) per ordinary share was paid on 26 September 2022 (2021 interim dividend: RMB0.112 (equivalent to HK13.5 cents)).

The proposed final dividend for the year ended 31 December 2022 will be distributed on or after Monday, 26 June 2023 to shareholders whose names appear on the shareholders’ register of the Company on Wednesday, 7 June 2023 (the “**Record Date**”).

Pursuant to “Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management” (《關於境外註冊中資控股企業依據實際管理機構標準確定為居民企業有關問題的通知》) (the “**Notice**”) which was issued by the State Administration of Taxation (the “**SAT**”) of the PRC on 22 April 2009 and implemented on 1 January 2008, enterprises controlled by Chinese enterprises or enterprises groups and registered outside China shall be regarded as resident enterprises with de facto management bodies located in China, or “offshore-registered resident enterprises” (非境內註冊居民企業), if all of the following criteria are present or effected in the PRC: (1) senior management in charge of daily operations and offices; (2) decision-making or authorised departments regarding financial management and human resources; (3) primary assets, accounting books, seals, records and files of shareholders’ meetings or board of directors’ meetings; and (4) directors or senior management with 50% or more voting rights ordinarily reside in China. Whether or not a Chinese-controlled offshore enterprise is an offshore-registered resident enterprise is subject to preliminary review by the local tax bureau where the de facto management body of Chinese-controlled offshore enterprise or its controller is based and is subject to final confirmation by SAT.

As disclosed in the announcement of the Company dated 9 June 2013, the Company had received the SAT approvals which confirmed that the Company is regarded as a Chinese Resident Enterprise, effective from 1 January 2013. Therefore, the Company will implement enterprise income tax withholding arrangement for the proposed year 2022 final dividend.

Pursuant to the Notice, the Enterprise Income Tax Law and the Implementation Rules of the laws of PRC, the Company is required to withhold 10% enterprise income tax when it distributes the proposed year 2022 final dividend to its non-resident enterprise shareholders. In respect of all shareholders whose names appear on the Company's register of members on the Record Date who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organisations, which are all considered as non-resident enterprise shareholders), the Company will distribute the proposed year 2022 final dividend after deducting enterprise income tax of 10%. The Company will not withhold and pay the income tax in respect of the proposed year 2022 final dividend payable to any natural person shareholders whose names appear on the Company's register of members on the Record Date.

If any resident enterprise (as defined in the PRC's Enterprise Income Tax Law) listed on the Company's register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold the said 10% enterprise income tax, it should lodge with the Company's Registrar, Computershare Hong Kong Investor Services Limited, documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend that it is entitled at or before 4:30 p.m. on Thursday, 1 June 2023.

Investors should read the above carefully. If anyone would like to change the identity of the holders in the Company's register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company's register of members on the Record Date. The Company assumes no liability whatsoever and will not entertain any claims arising from any delay in, or inaccurate confirmation of, the status of the shareholders or any disputes over the mechanism of withholding.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' eligibility to attend and vote at the 2023 AGM

Latest time to lodge transfer documents for registration	4:30 p.m. on 22 May 2023
Closure of Register of members	23 May to 29 May 2023 (both dates inclusive)
Record date	29 May 2023

For determining the Shareholders' entitlement to the final dividend

Latest time to lodge transfer documents for registration	4:30 p.m. on 1 June 2023
Closure of Register of members	2 June to 7 June 2023 (both dates inclusive)
Record date	7 June 2023

In order to qualify for the proposed final dividend and attend the 2023 AGM, Shareholders should contact the Company's Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on the matters such as transfer of shares, change of name or address, or loss of share certificates.

CORPORATE GOVERNANCE CODE

The Directors consider that the Company has complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Upon making specific enquiries of all Directors, the Directors confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 December 2022.

REMUNERATION COMMITTEE

The Company approved on 23 October 2009 the establishment of the remuneration committee of the Company (the "**Remuneration Committee**") upon the listing of the Company's shares on the Stock Exchange with written terms of reference to state its authority and duties. A majority of the members of the Remuneration Committee are independent non-executive Directors.

AUDIT COMMITTEE

The Company approved on 23 October 2009 the establishment of the audit committee of the Company (the “**Audit Committee**”) upon the listing of the Company’s shares on the Stock Exchange with written terms of reference to state its authority and duties. A majority of the members of the Audit Committee are independent non-executive Directors.

The Audit Committee reviewed with the senior management the accounting policies and practices adopted by the Group and discussed auditing, the internal control system and financial reporting matters. It has also reviewed the draft of consolidated financial statements of the Company for the year ended 31 December 2022, the draft of 2022 annual report of the Company, the draft of this preliminary announcement of the Group’s annual results for the year ended 31 December 2022 and the audit scope and fees for the year ended 31 December 2022. The Audit Committee has no disagreement on the annual results contained in this announcement.

NOMINATION COMMITTEE

The Company approved on 23 October 2009 the establishment of the nomination committee of the Company (the “**Nomination Committee**”) upon the listing of the Company’s shares on the Stock Exchange. The Board has also adopted the terms of reference for the Nomination Committee which are in line with the code provisions set out in the CG Code and are posted on the Stock Exchange’s website and the Company’s website. A majority of the members of the Nomination Committee are independent non-executive Directors.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established on 22 December 2016 and the Board has adopted the terms of reference for the Risk Management Committee which are in line with the code provisions set out in the CG Code and are published on the Stock Exchange’s website and the Company’s website. A majority of members of the Risk Management Committee are non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year ended 31 December 2022.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED ON THE PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement of the Group's 2022 annual results have been agreed by the Company's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the preliminary results announcement.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.cofco-pack.com>).

The 2022 annual report will be published on the websites of the Stock Exchange and the Company and also be dispatched to the Shareholders in due course.

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

Hong Kong, 21 March 2023

As at the date of this announcement, the chairman of the Board and executive Director is Mr. Zhang Xin, the executive Director is Mr. Zhang Ye, the non-executive Directors are Dr. Zhao Wei, Messrs. Meng Fanjie, Zhou Yuan and Shen Tao, and the independent non-executive Directors are Messrs. Cheng Yuk Wo, Pun Tit Shan and Chen Jihua.