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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

#### FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Variance %
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	
Revenue	5,547,547	5,293,583	4.8%
EBITDA	736,127	684,164	7.6%
Net profit for the period	274,743	271,568	1.2%
Basic earnings per share	<u>RMB0.240</u>	<u>RMB0.245</u>	(2.3%)

As disclosed in the Joint Announcement, the Company does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of the Offer. As such, the Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024.

## INTERIM RESULTS

The board (the “**Board**”) of directors (“**Directors**”) of CPMC Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Interim Financial Information**”) together with comparative figures for the corresponding period of the last year. The Interim Financial Information has been reviewed by the audit committee (the “**Audit Committee**”) of the Company.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	4	<b>5,547,547</b>	5,293,583
Cost of sales	6(a)	<u>(4,655,466)</u>	<u>(4,499,302)</u>
<b>Gross profit</b>		<b>892,081</b>	794,281
Other income and gains	5	<b>14,042</b>	57,335
Selling and marketing expenses		<b>(205,032)</b>	(196,748)
Administrative expenses		<b>(228,017)</b>	(219,390)
Finance costs		<b>(140,952)</b>	(101,356)
Share of results of joint ventures		<u><b>2,225</b></u>	<u>1,334</u>
<b>Profit before income tax</b>	6	<b>334,347</b>	335,456
Income tax expense	7	<u><b>(59,604)</b></u>	<u>(63,888)</u>
<b>Profit for the period</b>		<u><b>274,743</b></u>	<u>271,568</u>
<b>Attributable to:</b>			
Equity holders of the Company		<b>266,930</b>	273,269
Non-controlling interests		<u><b>7,813</b></u>	<u>(1,701)</u>
		<u><b>274,743</b></u>	<u>271,568</u>
<b>Earnings per share attributable to ordinary equity holders of the Company</b>	9		
Basic (RMB)		<u><b>0.240</b></u>	<u>0.245</u>
Diluted (RMB)		<u><b>0.240</b></u>	<u>0.245</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Profit for the period</b>	<u>274,743</u>	<u>271,568</u>
<b>Other comprehensive expense</b>		
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>		
– Exchange differences on translation of foreign operations (with nil tax effect)	<u>(39,202)</u>	<u>(120,977)</u>
<b>Other comprehensive expense for the period, net of tax</b>	<u>(39,202)</u>	<u>(120,977)</u>
<b>Total comprehensive income for the period</b>	<u><u>235,541</u></u>	<u><u>150,591</u></u>
<b>Attributable to:</b>		
Equity holders of the Company	229,441	148,540
Non-controlling interests	<u>6,100</u>	<u>2,051</u>
	<u><u>235,541</u></u>	<u><u>150,591</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2024	31 December 2023
<i>Note</i>		<b>RMB'000</b> (Unaudited)	<b>RMB'000</b> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		5,859,276	5,972,123
Right-of-use assets		419,055	423,432
Goodwill		233,973	233,973
Other intangible assets		18,309	19,646
Interests in joint ventures		101,740	51,011
Deposits for purchase of items of property, plant and equipment		43,702	93,179
Prepayments		40,176	43,572
Deferred tax assets		21,019	24,643
<b>Total non-current assets</b>		<b>6,737,250</b>	<b>6,861,579</b>
<b>Current assets</b>			
Inventories		1,500,091	1,728,040
Trade and bills receivables	10	3,496,247	2,819,521
Prepayments, other receivables and other assets		381,438	375,176
Tax recoverable		346	987
Pledged deposits and restricted deposit		36,394	65,719
Cash and cash equivalents		2,232,579	2,391,737
<b>Total current assets</b>		<b>7,647,095</b>	<b>7,381,180</b>
<b>Current liabilities</b>			
Trade and bills payables	11	2,535,390	2,300,044
Other payables and accruals		370,221	509,763
Lease liabilities		14,955	13,084
Interest-bearing bank borrowings		4,864,694	5,033,996
Tax payable		40,606	48,825
<b>Total current liabilities</b>		<b>7,825,866</b>	<b>7,905,712</b>

	<b>30 June</b> <b>2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	31 December 2023 RMB'000 (Audited)
<b>Net current liabilities</b>	<u>(178,771)</u>	<u>(524,532)</u>
<b>Total assets less current liabilities</b>	<u><b>6,558,479</b></u>	<u>6,337,047</u>
<b>Non-current liabilities</b>		
Government grants	15,756	16,574
Interest-bearing bank borrowings	225,360	246,665
Lease liabilities	76,941	74,348
Deferred tax liabilities	<u>76,989</u>	<u>71,568</u>
<b>Total non-current liabilities</b>	<u><b>395,046</b></u>	<u>409,155</u>
<b>Net assets</b>	<u><b>6,163,433</b></u>	<u>5,927,892</u>
<b>Equity</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	2,730,433	2,730,433
Reserves	<u>3,054,234</u>	<u>2,824,793</u>
	<b>5,784,667</b>	5,555,226
<b>Non-controlling interests</b>	<u><b>378,766</b></u>	<u>372,666</u>
<b>Total equity</b>	<u><b>6,163,433</b></u>	<u>5,927,892</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		<b>For the six months ended 30 June</b>	
		<b>2024</b>	2023
	<i>Note</i>	<b>RMB'000</b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Operating activities</b>			
Profit before income tax		<b>334,347</b>	335,456
Adjustments for:			
Finance costs		<b>140,952</b>	101,356
Interest income	5	<b>(21,386)</b>	(19,122)
Loss on disposal of property, plant and equipment	5	<b>1,714</b>	1,038
Share of results of joint ventures		<b>(2,225)</b>	(1,334)
Depreciation of property, plant and equipment	6(c)	<b>245,340</b>	231,739
Depreciation of right-of-use assets	6(c)	<b>13,907</b>	13,992
Amortisation of other intangible assets	6(c)	<b>1,581</b>	1,621
Impairment loss (reversed)/ recognised on trade and other receivables, net	6(c)	<b>(144)</b>	52
Amortisation of government grants		<b>(1,109)</b>	(625)
Foreign exchange differences, net		<b>2,638</b>	17,228
		<hr/>	<hr/>
Operating profit before changes in working capital		<b>715,615</b>	681,401
Decrease in inventories		<b>227,949</b>	266,787
Increase in trade and bills receivables		<b>(676,530)</b>	(585,299)
(Increase)/decrease in prepayments, other receivables and other assets		<b>(15,547)</b>	19,084
Decrease in pledged deposits and restricted deposit		<b>27,892</b>	42,565
Increase/(decrease) in trade and bills payables		<b>235,346</b>	(205,090)
(Decrease)/increase in other payables and accruals		<b>(56,922)</b>	22,712
		<hr/>	<hr/>
<b>Cash generated from operations</b>		<b>457,803</b>	242,160
Interest paid		<b>(148,320)</b>	(123,140)
The PRC Enterprise Income Tax paid		<b>(58,137)</b>	(67,222)
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<b>251,346</b>	51,798
		<hr/>	<hr/>

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Investing activities</b>		
Interest received	21,386	19,122
Additions to prepayments, other receivables and other assets	(2,272)	(2,553)
Purchase of property, plant and equipment	(116,763)	(254,952)
Deposits paid for purchase of property, plant and equipment	(44,731)	(106,185)
Proceeds from disposal of property, plant and equipment	4,628	815
Additions to other intangible assets	(266)	(1,472)
Investments in joint ventures	(50,304)	(17,487)
Dividends received from a joint venture	1,800	–
<b>Net cash used in investing activities</b>	<u>(186,522)</u>	<u>(362,712)</u>
<b>Financing activities</b>		
New bank loans raised	2,369,585	1,276,685
Repayments of bank loans	(2,582,046)	(1,312,567)
Repayments of lease liabilities	(5,010)	(8,231)
Interest paid on lease liabilities	(1,237)	(886)
Dividends paid	–	(99,823)
<b>Net cash used in financing activities</b>	<u>(218,708)</u>	<u>(144,822)</u>

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(153,884)</b>	<b>(455,736)</b>
Cash and cash equivalents at the beginning of period	<b>2,391,737</b>	2,380,067
Effect of foreign exchange rate changes, net	<u><b>(5,274)</b></u>	<u>14,602</u>
<b>Cash and cash equivalents at the end of period</b>	<u><b>2,232,579</b></u>	<u>1,938,933</u>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>1,342,579</b>	1,048,933
Deposits in COFCO Finance Company Limited ("COFCO Finance"), a subsidiary of COFCO Corporation	<u><b>890,000</b></u>	<u>890,000</u>
<b>Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows</b>	<u><b>2,232,579</b></u>	<u>1,938,933</u>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 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, food cans, aerosol cans, metal caps, printed and coated tinplates, steel barrels, round and square shaped cans and plastic packaging in the People’s Republic of China (the “**PRC**”).

As at 30 June 2024, (i) COFCO (Hong Kong) Limited (“**COFCO (Hong Kong)**”) beneficially held approximately 29.70% (31 December 2023: 29.70%) of the issued shares of the Company, being the single largest shareholder of the Company; and (ii) 奥瑞金科技股份有限公司 (ORG Technology Co. Ltd.\*) (“**ORG Technology**”) beneficially held approximately 24.40% (31 December 2023: 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 controlled 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 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2023 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (“**HKCO**”).

The Company’s auditor has reported on those financial statements. 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 report; and did not contain a statement under sections 406(2), 407(2) or (3) of the HKCO.

\* For identification purposes only

### 3 PRINCIPAL ACCOUNTING POLICIES

At 30 June 2024, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 30 June 2024, the Group had net current liabilities of approximately RMB178,771,000. The Group had sufficient undrawn borrowing facilities of not less than RMB2,000,000,000, subject to certain conditions, and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these condensed consolidated financial statements on a going concern basis.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

#### **Application of amendments to HKFRSs**

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants

The application of the amendments to HKFRSs in the current interim period 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 condensed consolidated financial statements.

#### 4 REVENUE AND OPERATING SEGMENT

For management purposes, the Group has one operating segment of packaging products, of which the results are monitored by the management for the purpose of making decisions about resource allocation and performance assessment.

This operating segment 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) Aluminum packaging – the Group uses aluminum as the main raw material for its aluminum packaging products, which mainly consist of two-piece beverage cans and one-piece cans; 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.

The analysis of revenue of each of the business units is set out as below:

##### Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>By type of goods</b>		
Tinplate packaging	2,279,739	2,080,934
Aluminum packaging	2,904,612	2,891,628
Plastic packaging	363,196	321,021
	<u>5,547,547</u>	<u>5,293,583</u>
<b>By geographical markets</b>		
Mainland China	5,123,646	4,883,851
Overseas	423,901	409,732
	<u>5,547,547</u>	<u>5,293,583</u>
<b>Timing of revenue recognition</b>		
A point in time	<u>5,547,547</u>	<u>5,293,583</u>

## 5 OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Other income</b>		
Bank interest income	14,860	12,184
Interest income from COFCO Finance	6,526	6,938
Government grants ( <i>Note</i> )	6,344	14,269
Rental income	1,162	888
	<u>28,892</u>	<u>34,279</u>
<b>Other (losses)/gains, net</b>		
Loss on disposal of property, plant and equipment	(1,714)	(1,038)
Foreign exchange differences, net	(21,649)	18,700
Other gains	8,513	5,394
	<u>(14,850)</u>	<u>23,056</u>
	<u>14,042</u>	<u>57,335</u>

*Note:* The government grants are mainly granted by the local authorities in the PRC to support local entities. There are no unfulfilled conditions or contingencies related to these grants.

## 6 PROFIT BEFORE INCOME TAX

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

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>(a) Cost of sales</b>		
Cost of inventories sold	4,657,802	4,511,146
Realised and unrealised fair value gains on derivative financial instruments, net	<u>(2,336)</u>	<u>(11,844)</u>
	<b><u>4,655,466</u></b>	<b><u>4,499,302</u></b>
<b>(b) Staff costs (including directors' and chief executive's remuneration)</b>		
Wages and salaries	376,523	355,365
Pension scheme contributions	42,258	35,924
Other benefits	<u>26,272</u>	<u>35,686</u>
	<b><u>445,053</u></b>	<b><u>426,975</u></b>
<b>(c) Other items</b>		
Depreciation of property, plant and equipment	245,340	231,739
Depreciation of right-of-use assets	13,907	13,992
Amortisation of other intangible assets	1,581	1,621
Impairment loss (reversed)/ recognised on trade and other receivables under expected credit loss model, net	<u>(144)</u>	<u>52</u>

7 **INCOME TAX EXPENSE**

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Current tax – PRC Enterprise Income Tax		
Charge for the period	<b>75,782</b>	73,162
Over-provision in respect of prior periods	<b>(25,223)</b>	(30,259)
	<b>50,559</b>	42,903
Deferred tax	<b>9,045</b>	20,985
	<b>59,604</b>	63,888

Hong Kong Profits Tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

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 incorporated in Hong Kong and the British Virgin Islands were 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 PRC income tax laws, enterprises are subject to Enterprise Income Tax (“EIT”) at the rate of 25% (six months ended 30 June 2023: 25%). Four (six months ended 30 June 2023: Four) of the Group’s subsidiaries are operating in a specific development zone in the PRC, and the relevant tax authority has granted the subsidiaries a preferential EIT rate of 15%. One (six months ended 30 June 2023: 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%. Four (six months ended 30 June 2023: Two) 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 5% (six months ended 30 June 2023: 5%).

## 8 DIVIDENDS

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Proposed interim dividend – RMB Nil (six months ended 30 June 2023: RMB0.122) per ordinary share	–	135,838
	<u>                    </u>	<u>                    </u>

## 9 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	266,930	273,269
	<u>                    </u>	<u>                    </u>
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation	1,113,423	1,113,423
	<u>                    </u>	<u>                    </u>

The diluted earnings per share for both the six months ended 30 June 2024 and 2023 were the same as the respective basic earnings per share as there were no potential dilutive ordinary shares in existence for both periods.

## 10 TRADE AND BILLS RECEIVABLES

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Trade receivables		
– From third parties	<b>3,142,735</b>	2,530,346
– From related parties	<b>148,846</b>	130,771
	<b>3,291,581</b>	2,661,117
Less: Impairments	<b>(3,777)</b>	(3,973)
	<b>3,287,804</b>	2,657,144
Bills receivables	<b>208,443</b>	162,377
Trade and bills receivables	<b>3,496,247</b>	2,819,521

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 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:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 3 months	<b>2,841,330</b>	2,094,075
3 to 12 months	<b>654,383</b>	724,908
Over 1 year	<b>534</b>	538
	<b>3,496,247</b>	2,819,521



## 11 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:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 3 months	<b>1,690,625</b>	1,832,215
3 to 12 months	<b>841,415</b>	461,878
Over 1 year	<b>3,350</b>	5,951
	<b><u>2,535,390</u></b>	<u>2,300,044</u>

Trade and bills payables are non-interest-bearing and the credit terms are normally 30 to 180 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS INTRODUCTION

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 39 operating subsidiaries and their branches, 3 joint ventures (which are strategically located in different regions of the PRC), an offshore operating subsidiary and an offshore joint venture 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 enterprises.

### 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, product recyclability, etc., and has been one of the core businesses of the Company in recent years.

In the first half of the year, the Group has consolidated its regional production capacity layout, proactively deepened its overseas layout construction and satisfied the diverse needs of customers by multiple production lines and multi-type can portfolios, to release new production capacity effectively. In addition, it continued to explore innovative new materials and apply new material-saving technology for aluminum, to continuously promote products upgrading in a more effective, more environmental friendly and more sustainable manner. The Group’s sales revenue from aluminium packaging was approximately RMB2,905 million (same period in 2023: approximately RMB2,892 million), representing a steady increase compared to the same period last year, accounting for approximately 52.4% of the total sales (same period in 2023: approximately 54.6%). The gross profit margin of the aluminium packaging business in the first half of 2024 was approximately 15.0%, representing a year-on-year increase (same period in 2023: approximately 14.0%).

## **Two-piece Beverage Cans (Two-piece Cans)**

Two-piece cans products are primarily used for the packaging of beers, carbonated drinks and tea beverages. In the first half of 2024, the Group's sales revenue from the two-piece cans business was approximately RMB2,783 million (same period in 2023: approximately RMB2,785 million), which is basically the same as previous year. In response to the slowing down of the growth rate of demands from downstream, the Group has adopted more proactive sales strategies to deepen cooperation with key customers and consolidate and enhance its market shares. It further deepened its regional multi-type can and multi-production lines supply capacities. The overall sales volume made a significant year-on-year increase, and the new production line could be further released. In addition, we continue to explore overseas market and increase our overseas market shares. The internal control and the profitability of the Company's Belgium subsidiary have been further improved; the Hungary project has officially commenced construction at the beginning of the year and is expected to be put into operation at the end of the current year. Renowned customers of the Group's two-piece cans business include Anheuser-Busch InBev, Coca-Cola, CR Snow Beer, JDB, Carlsberg, Tsingtao Brewery and PepsiCo.

## **One-piece Cans**

One-piece cans products are primarily used for the packaging of household chemical products, beers, carbonated drinks and medical products. In the first half of 2024, the Group's sales revenue from one-piece cans products was approximately RMB122 million (same period in 2023: approximately RMB106 million), representing a year-on-year increase of approximately 15.1%. Renowned customers of the Group's one-piece cans business include Anheuser-Busch InBev, China Resources Snow Breweries and Sinochem Group.

## **TINPLATE PACKAGING**

The Group uses tinsplate as the primary raw material for its tinsplate 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 spray cans ranking No. 1 in market shares nationwide.

In the first half of 2024, the Group consolidated the integrated service model and the production line model for strategic customers, and deeply promoted product R&D and quality management by focusing on two principles of differentiation and cost reduction. It established prompt communication and feedback channels with key customers, and improved the service quality of production and sales, achieving steady growth in the key customers' market shares. In the first half of 2024, the sales revenue from the Group's tinsplate packaging business amounted to approximately RMB2,280 million (same period in 2023: approximately RMB2,081 million), representing a year-on-year increase of approximately 9.6%, and accounted for approximately 41.1% of the total sales (same period in 2023: approximately 39.3%). The gross profit margin in the first half of 2024 is approximately 17.4%, which is stable and improved compared with the same period in last year (same period in 2023: approximately 16.6%).

## **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 the first half of 2024, the steel barrel business continuously promoted the operating strategy of “expanding scale, optimising structure, strengthening management and increasing profitability”. In terms of external efforts, it strengthened the development of domestic and international famous brand customers, through maintaining good communication with key brand customers, consolidating the market shares and improving regional competitiveness. In terms of internal efforts, it started low-cost automation projects, R&D projects on online detection device, etc., focusing on cost and quality management and control, to continuously promote regional integrated management to effectively improve profitability. In the first half of 2024, the Group’s sales revenue from the steel barrels business was approximately RMB919 million (same period in 2023: approximately RMB737 million), representing a year-on-year increase of approximately 24.7%, and the sales revenue, sales volume and operating profit all reached a historical high. Renowned customers of the Group’s steel barrels business include Wanhua Chemical, Sinopec, PetroChina, BASF, Covestro, Shell and ExxonMobil.

## **Milk Powder Cans**

Milk powder cans are mainly used for the packaging of infant formula milk powder, health food and other products. The Group has focused on developing new customers and strengthened the services and maintenance for core customers, to consolidate the market share. It dedicated to vigorously promoting digital chain coding, laser special printing process, and other new processes and new technologies for achieving proactive R&D and innovation of differentiated products, to improve customers’ experience and loyalty. In the first half of 2024, the sales revenue from the milk powder cans business amounted to approximately RMB390 million (same period in 2023: approximately RMB369 million), representing a year-on-year increase of approximately 5.7%, and the sales volume increased by 13.2% year-on-year. Renowned customers of the Group’s milk powder cans business include Feihe, Yili, Mengniu, Nestle and Unilever.

## **Aerosol Cans**

Aerosol cans products are primarily used for the packaging of household chemical products (e.g. alcohol disinfectant spray, car maintenance products, air fresheners, personal care products and pesticides) and other chemical products. In the first half of 2024, the Group recorded sales revenue of approximately RMB302 million (same period in 2023: approximately RMB297 million), representing a year-on-year increase of approximately 1.7%. 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 the first half of 2024, the sales revenue of metal caps products was approximately RMB222 million (same period in 2023: approximately RMB244 million), representing a decrease by 9.0% compared with the same period in previous year, and the gross profit margin increased by 1.6 percentage points year-on-year. The Group has launched activities in increasing income sources, reducing expenditures, and cutting costs through R&D of new TPE cap and other innovation products to optimize the structure of products. The Group has also provided customized services to stabilize the orders from major customers, promoted the development of new overseas customers and guaranteed improving profitability from the production lines. Renowned customers of the Group's metal caps business include Haiday, Jiajiahong, Huanleja, 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 the first half of 2024, the Group's successful breakthroughs in the low cost automation bottleneck further strengthened customer communication, promoted new product development, tapped into internal potentials, replicated the intelligent manufacturing experience at Taicang Factory internally, and effectively improved the standard of production management mainly by means of intelligent manufacturing informationisation and automation. In the first half of 2024, the Group achieved sales revenue from the plastic packaging business of approximately RMB363 million (same period in 2023: approximately RMB321 million), representing a year-on-year increase of approximately 13.1%. The gross profit margin in the first half of 2024 is approximately 16.0%, an increase of 2.2 percentage points over the same period in last year (the same period in 2023: approximately 13.8%). Renowned customers of the Group's plastic packaging business include P&G, Blue Moon, Mengniu, Unilever, Haiday, Reckitt Benckiser, Yili, Lee Kum Kee and Heinz.

## **FINANCIAL REVIEW**

For the six months ended 30 June 2024, the sales revenue of the Group amounted to approximately RMB5,548 million (same period in 2023: approximately RMB5,294 million), representing an increase of approximately RMB254 million or 4.8%. The gross profit margin in the first half of 2024 was approximately 16.1% (same period in 2023: approximately 15.0%), representing a slight increase from the same period of last year, which was mainly due to the impact of reducing unit costs due to scale growth and cost reduction and efficiency improvement.

For the six months ended 30 June 2024, the net profit of the Group amounted to approximately RMB275 million (same period in 2023: approximately RMB272 million), representing an increase of approximately RMB3 million or 1.2% over the same period of last year, which was mainly due to the increase in gross profit margin.

## **GROUP'S PROFIT**

For the six months ended 30 June 2024, the profit before tax of the Group was approximately RMB334 million (same period in 2023: approximately RMB335 million), which is about the same as previous year.

The financial costs were approximately RMB141 million (same period in 2023: approximately RMB101 million), representing an increase of approximately RMB40 million or 39.1% as compared to the same period of last year, which was mainly due to the increase in foreign exchange rates and comprehensive financing costs.

Tax expense was approximately RMB60 million (same period in 2023: approximately RMB64 million). The effective income tax rate of the Group in the first half of 2024 was approximately 17.8% (same period in 2023: approximately 19.0%), representing a decrease of 1.2 percentage points over the same period of last year.

## **OUTLOOK FOR 2024**

In the first half of 2024, the Ministry of Commerce deployed a series of activities to promote stable growth in consumption under the “Consumption-Promoting Year (消費促進年)”, and the implementation of new policies has injected new vitality into the economic growth and facilitated the steady recovery of the consumer market in general. The Group seized the market opportunities in a timely manner and achieved a 4.8% year-on-year increase in sales revenue in the first half of the year.

In the face of the complex and volatile external environment, the weak momentum of the global economic growth, the frequently-occurred geopolitical conflicts, the international trade frictions and other issues, the lack of domestic effective demand, changes in consumer behavior and other realities, there are still a lot of uncertainties in the second half of the year which may constrain the development of the industry, however, we believe that the challenges and opportunities co-exist. The “green, low-carbon and environmental-friendly” market trend and the new green environmental protection policy have brought the impetus for the sustainable development of the metal packaging industry. The summer peak tourist and research and study season, the National Day holiday and other holiday economy will also help to drive the resumption of consumption and stimulate the further growth of the demand for downstream food, fast moving consumer goods, etc. The Group will adopt a more aggressive sales strategy and establish good communication with strategic customers based on the needs and pain points of downstream customers, so as to consolidate the market position of its advantaged businesses and further utilize its advantages of multi-point layout to make good use of its multi-product and multi-type can portfolio.

The Group has always insisted on innovation to lead high-quality development, accelerated the cultivation of new-quality productivity, and strengthened cooperation with upstream and downstream enterprises as well as industry-university-research institutes by investing in research and development in an intelligent, green and high-end manner, in order to drive the upgrade of the entire industrial chain and promote the transformation and upgrading of the traditional manufacturing industry. Since the establishment of the 3+N technological innovation system, the Company has paid close attention to market demand, adapted to changes in the consumption habits of mainstream consumer groups, upgraded and reformed its equipment and optimized its production processes, and created differentiated products through the utilization of new technologies and new materials, thereby realising growth in sales volume through the improvement of product quality and services. Under the guidance of the 3+N innovation and research and development system, we will accelerate the replication and promotion of successful experiences in the fields of informationisation, digitalisation and intelligence within the business to effectively improve the production management capability and enhance the quality control level.

Looking forward, the Group will continue to pay close attention to market changes, focus on improving its core competitiveness, strengthen its domestic business and push forward the production and operation of its overseas projects, consolidate and increase its existing market shares, optimise its investment strategy, enhance its internal cost control, and continue to enhance the standard of its investment returns, so as to repay customers' trust with quality products and good services, and reward shareholders for their support with good results.

## CASH FLOW, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 June 2024, the Group's source of funding was mainly cash generated from operating activities and bank loans.

	<b>30 June</b> <b>2024</b> <i>RMB million</i>	31 December 2023 <i>RMB million</i>
Net assets	<b>6,163</b>	5,928
Cash and cash equivalents	<b>2,233</b>	2,392
Total borrowings	<b>5,090</b>	5,281
Equity attributable to equity holders of the Company	<b>5,785</b>	5,555
Current ratio	<b>0.98</b>	0.93
Gearing ratio*	<b><u>49.4%</u></b>	<b><u>52.0%</u></b>

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



As at 30 June 2024, the net assets of the Group was approximately RMB6,163 million (31 December 2023: approximately RMB5,928 million). Equity attributable to equity holders of the Company was approximately RMB5,785 million, representing an increase of 4.1% as compared to approximately RMB5,555 million as at 31 December 2023.

The current ratio and gearing ratio as at 30 June 2024 were approximately 0.98 and approximately 49.4% (as at 31 December 2023: approximately 0.93 and 52.0%, respectively). As at 30 June 2024, the current ratio was approximately 0.98, increased by 0.05 as compared to 31 December 2023. As at 30 June 2024, the gearing ratio was approximately 49.4%, decreased by 2.6 percentage points as compared to 31 December 2023, which was mainly due to decrease in the scale of bank borrowings. Interest-bearing bank loans were approximately RMB5,090 million as at 30 June 2024 (31 December 2023: RMB5,281 million). As at 30 June 2024, 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 RMB64 million (31 December 2023: RMB344 million).

#### **CAPITAL EXPENDITURE, COMMITMENTS AND CONTINGENT LIABILITIES**

For the six months ended 30 June 2024, the Group's capital expenditure was approximately RMB215 million, which was as follows:

	<i>RMB million</i>	<b>Percentage of capital expenditure</b>
Two-piece cans project	135	62.8%
Tinplate project	37	17.2%
Plastics project	21	9.8%
Steel barrels project	14	6.5%
Other equipment purchases	8	3.7%
	<hr/>	<hr/>
Total	<u>215</u>	<u>100.0%</u>



As at 30 June 2024, the Group had the following capital commitments:

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	<b>RMB'000</b>
Contracted, but not provided for:		
Property, plant and equipment	<b>207,710</b>	225,667
Capital contribution payable to a joint venture	<u>–</u>	<u>51,242</u>
	<b><u>207,710</u></b>	<b><u>276,909</u></b>

As at 30 June 2024, 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 Company's results.

## **HUMAN RESOURCES**

As at 30 June 2024, the Group had 6,163 full-time employees (same period in the previous year: 6,292), of which approximately 1,604 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 30 June 2024:

<b>Function</b>	<b>No. of employees</b>	<b>Percentage of total no. of employees</b>
Management and Administration	652	10.6%
Sales and Marketing	229	3.7%
Research and Development Technology and Engineering	889	14.4%
Production and Quality Control	<u>4,393</u>	<u>71.3%</u>
Total	<b><u>6,163</u></b>	<b><u>100.00%</u></b>

As of 30 June 2024, the Group's total staff cost was approximately RMB445 million (unaudited), as compared to RMB427 million in the same period last year. The Group determined the salary of 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 Mainland China include pension insurance, 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 benefits of the Group's employees when they reach certain seniority. The benefits of employees in Hong Kong included mandatory provident fund, life insurance and medical insurance.

## **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 six months ended 30 June 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiries to all Directors, all the Directors have confirmed that they had complied with the required standards set out in the Model Code throughout the six months ended 30 June 2024.

## **CORPORATE GOVERNANCE CODE**

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

## **UPDATES ON DIRECTORS' INFORMATION**

With effect from 10 May 2024, (1) Mr. Zhang Xin resigned from his positions as the chairman of the Board, an executive Director, the chairman of the nomination committee of the Company and the authorised representative of the Company due to retirement; (2) Mr. Zhang Ye was appointed as the chairman of the Board, the chairman of the Nomination Committee and the Authorised Representative and ceased to be the General Manager and the member of the Risk Management Committee; and (3) Mr. Qu Hongliang, was appointed as an executive Director, the General Manager and a member of the Risk Management Committee. Please refer to the announcement of the Company dated 10 May 2024 for further information.

At the annual general meeting (“AGM”) of the Company held on 3 June 2024, ordinary resolutions were passed to re-elect Mr. Qu Hongliang as executive Director; Dr. Zhao Wei and Mr. Meng Fanjie as non-executive Directors; and Mr. Pun Tit Shan as independent non-executive Director. Please refer to Appendix II to the Company’s circular dated 19 April 2024 for the biographies of the above Directors re-elected at the AGM.

Save for those disclosed above, there is no other information in respect of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **INTERIM DIVIDENDS**

As disclosed in the joint announcement (the “**Joint Announcement**”) issued by the Company and Champion HOLDING (BVI) CO., LTD on 6 December 2023, the Company has no intention to announce, declare, make or pay any future dividends, other distributions or capital returns until the close of the Offer (as defined in the joint announcement). Report. Therefore, the board of directors does not recommend the distribution of interim dividend (2023 interim dividend: RMB0.122 per ordinary share (equivalent to HK13.3 cents)).

## **REMUNERATION COMMITTEE**

On 23 October 2009, the Company approved the formation of the remuneration committee upon the listing of the 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.

The duties of the Remuneration Committee are mainly to (i) make recommendations to the Board on the Company’s policy and structure for all remuneration of Directors and senior management to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; (ii) determine the specific remuneration packages of Directors and senior management; and (iii) review and approve performance based remuneration by reference to corporate goals and objectives resolved by the Board. The Remuneration Committee may have access to independent professional advice at the Company’s expense if considered necessary.

The Remuneration Committee is comprised two independent non-executive Directors and one non-executive Director. The Remuneration Committee is chaired by Mr. Pun Tit Shan. The other Remuneration Committee members are Mr. Shen Tao and Mr. Cheng Yuk Wo.

## **AUDIT COMMITTEE**

On 23 October 2009, the Company approved the formation of the Audit Committee upon the listing of the Shares on the Stock Exchange with written terms of reference stating its authority and duties. A majority of the members of the Audit Committee are independent non-executive Directors.

The Audit Committee is primarily responsible for (i) reviewing and supervising of the Group's financial reporting process and completeness of financial reports; (ii) monitoring the effectiveness of the Group's internal control system; and (iii) considering the independence of the external auditors.

The Audit Committee is comprised two independent non- executive Directors and one non-executive Director. The Audit Committee is chaired by Mr. Cheng Yuk Wo, who possesses the professional qualifications and/or accounting or related financial management expertise as required under Rule 3.21 of the Listing Rules. The other Audit Committee members are Mr. Zhou Yuan and Mr. Chen Jihua.

## **NOMINATION COMMITTEE**

On 23 October 2009, the Company approved the formation of the nomination committee upon the listing of the 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 published 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.

The principal duties of the Nomination Committee are mainly to (i) review the structure, size and composition of the Board and make recommendations to the Board regarding any proposed changes; (ii) make recommendations to the Board on the nominees for appointment as Director and senior management of the Group; and (iii) assess the independence of the independent non-executive Directors.

The Nomination Committee is comprised of two independent non-executive Directors and the Chairman of the Board. The Nomination Committee is chaired by Mr. Zhang Ye. The other Nomination Committee members are Mr. Cheng Yuk Wo and Mr. Pun Tit Shan.

## **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.

The principal duties of the Risk Management Committee are mainly to (i) review the Group's enterprise risk management framework, and the guidelines, policies and procedures for risk assessment and risk management; (ii) review the Group's major risks and key emerging risks and the controls in place to mitigate such risks; and (iii) review the effectiveness of the enterprise risk management function.

The Risk Management Committee is comprised of one independent non-executive Director, one non-executive Director and one executive Director. The Risk Management Committee is chaired by Mr. Chen Jihua. The other Risk Management Committee members are Mr. Qu Hongliang and Mr. Meng Fanjie.

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

Hong Kong, 13 August 2024

*As at the date of this announcement, the chairman of the Board and executive Director is Mr. Zhang Ye, the executive Director is Mr. Qu Hongliang, 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.*