



中糧
COFCO
自然之源 重塑你我



CPMC HOLDINGS LIMITED
中糧包裝控股有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立之有限公司)

Stock code: 906

股份代號：906

ANNUAL
REPORT
2018
年度報告



Vision 願景

STRIVE TO BECOME THE LEADING
MANUFACTURER OF PACKAGING PRODUCTS
OF INTEGRATED CONSUMER GOODS IN CHINA

致力成為中國綜合消費品包裝行業領導者



Financial Highlights

財務摘要

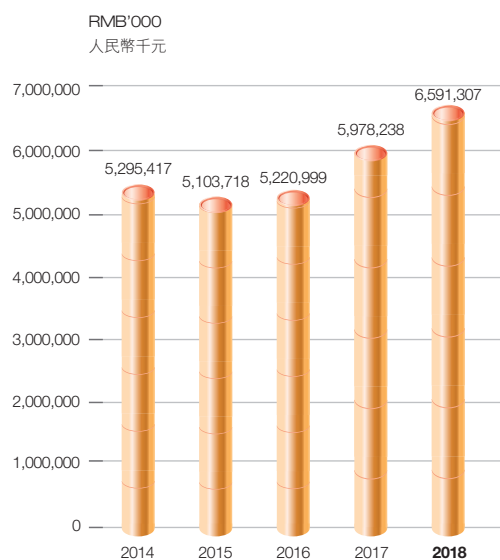
For the year ended 31 December

截至12月31日止年度

		2018	2017	Variance
		RMB'000	RMB'000	差異
		人民幣千元	人民幣千元	%
Revenue	收入	6,591,307	5,978,238	10.3
Profit attributable to equity holders of the Company	本公司股本持有人應佔利潤	255,061	310,511	(17.9)
		RMB	RMB	
		人民幣	人民幣	
Earnings per share	每股盈利	0.22	0.26	(15.4)

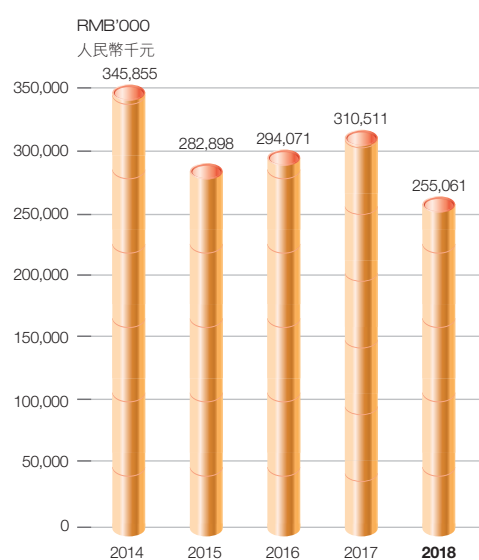
Revenue

收入



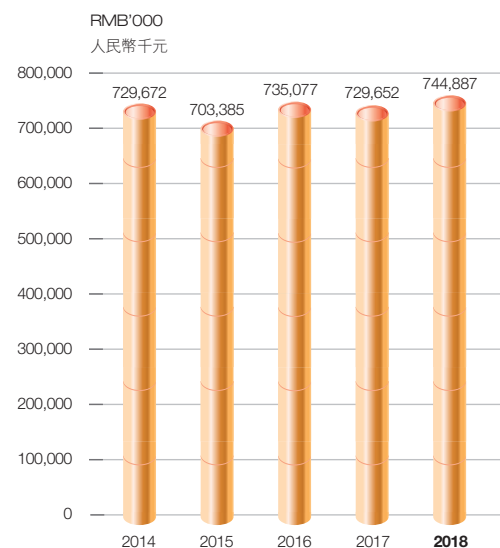
Profit attributable to equity holders of the Company

本公司股本持有人應佔利潤



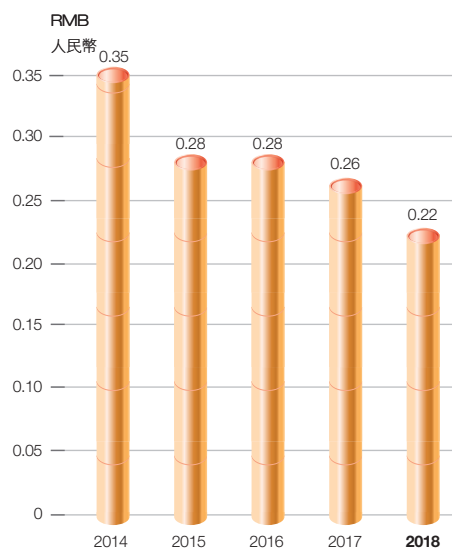
EBITDA

稅息折舊及攤銷前盈利



Earnings per share

每股盈利



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DIRECTORS

EXECUTIVE DIRECTORS

Mr. ZHANG Xin (*Chairman*)

Mr. ZHANG Ye (*General Manager*)

NON-EXECUTIVE DIRECTORS

Ms. YU Youzhi

Mr. CHEN Qianzheng

Mr. ZHOU Yuan

Mr. SHEN Tao

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHENG Yuk Wo

Mr. FU Tingmei

Mr. PUN Tit Shan

AUDIT COMMITTEE

Mr. CHENG Yuk Wo (*Committee Chairman*)

Mr. FU Tingmei

Mr. ZHOU Yuan

REMUNERATION COMMITTEE

Mr. FU Tingmei (*Committee Chairman*)

Mr. CHEN Qianzheng

Mr. PUN Tit Shan

NOMINATION COMMITTEE

Mr. ZHANG Xin (*Committee Chairman*)

Mr. CHENG Yuk Wo

Mr. FU Tingmei

RISK MANAGEMENT COMMITTEE

Mr. PUN Tit Shan (*Committee Chairman*)

Mr. SHEN Tao

Mr. ZHANG Ye

COMPANY SECRETARY

Mr. YIM Ming Chung (*CPA, ACIS, ACS*)

AUDITOR

Ernst & Young (*Certified Public Accountants*)

LEGAL ADVISOR

Loong & Yeung

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of Communications Co., Ltd.
Bank of China Limited
Bank of China (Hong Kong) Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Ltd.
Mizuho Bank, Ltd.
Oversea-Chinese Banking Corporation Limited
Sumitomo Mitsui Banking Corporation
MUFG Bank, Ltd.

REGISTERED OFFICE

33rd Floor, COFCO Tower
262 Gloucester Road
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HEAD OFFICE

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Hangzhou Economic and Technical
Development Zone
Hangzhou, Zhejiang Province
The PRC

HONG KONG SHARE REGISTRAR

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Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

COMPANY WEBSITE

www.cofco-pack.com

STOCK CODE

The Stock Exchange of Hong Kong Limited: 00906
Bloomberg: 906:HK
Reuters: 0906.HK

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The new plant of Harvest Epoch in Haining, Zhejiang was constructed and has commenced operation.



New plant of Harvest Epoch in Haining

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The new plant of Jiaxing Steel Barrels was constructed and has commenced operation, which passed the supplier qualification verification by Covestro and BASF.



Supplier qualification verification of Jiaxing Steel Barrels

CHAIRMAN'S LETTER

GENERAL MANAGER'S REPORT

CPMC Investment Co., Ltd. cooperated with Haoneng Group, a shareholder of Illochroma Haoneng Belgium, to invest in the establishment of a two-piece can factory in Belgium with an aim to provide aluminum packaging service for world-renowned beer and beverage brands; Mr. Vink Marc, the Belgian Ambassador to China, warmly met Mr. Zhang Xin, the Chairman of CPMC, and expressed the full support from the government of Belgium for the implementation of the project.



The Belgium Ambassador to China met the chairman of CPMC

The second production line of the plant-within-a-plant of Longjiang Feihe has commenced operation.



The second production line of the plant-within-a-plant of Feihe

CPMC Tianjin was awarded Outstanding Supplier by Yili for the fourth consecutive year and received the Quality Control Award from Unilever. CPMC Panyu was awarded Outstanding Supplier by Lanju.



Awarded Outstanding Supplier by Yili



Awarded Quality Control Award from Unilever



Awarded Outstanding Supplier by Lanju

CPMC Tianjin won the Award of Tianjin Advanced Enterprises with Foreign Investment. CPMC Hangzhou won the Hi-Tech Enterprise Certificate, issued jointly by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Office of the State Administration of Taxation for the first time.



Awarded Tianjin Advanced Enterprises with Foreign Investment



Awarded Hi-Tech Enterprise Certificate

CPMC won the title of "Most Valuable Small & Mid-Cap Company" in Golden Hong Kong Stocks Awards 2017.



Awarded "Most Valuable Small & Mid-Cap Company"

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Dear Shareholders,

On behalf of the board of directors (the "Board") of CPMC Holdings Limited (the "Company"), I am pleased to present the audited annual results of the Company and its subsidiaries (collectively the "Group" or "CPMC") for the year ended 31 December 2018 (the "Year").

In 2018, the global economy experienced volatility and slowdown due to protectionism. In the face of a complex and grim external environment, the government of the PRC adhered to the keynote of pursuing progress while maintaining stability, focusing on the supply-side reform to advance the structural adjustments to the economy. The three tough battles, namely major risk prevention and resolution, targeted poverty alleviation and pollution prevention, have achieved a good start, and consumption has played an increasing role as a key economic growth driver. In 2018, the economy of the PRC continued to run within a reasonable range, with a 6.6% GDP growth rate. During the Year, the per capita disposable income of domestic residents increased by 8.7%, outpacing the GDP growth, and the total retail sales of consumer goods grew by 9.0%.

In 2018, with the advancement of "cutting overcapacity, reducing excess inventory, deleveraging, lowering costs and strengthening areas of weakness", upstream commodity prices remained at high levels, causing the prices of raw materials such as tinplate and plastic particles to rise further. With growing concentration and slowdown of the downstream market, the midstream packaging industry was slowly passing on the rising costs to the downstream customers, posing challenges to the short-term performance of the industry. With continuously shifting competition pattern, China's packaging sectors, though at different stages, were gradually changing for the better. The tinplate packaging and plastic packaging sectors, currently in the early stage of integration, are relatively segmented and dominated by small and medium-sized enterprises and low-end production capacity. We believe that with the strict implementation of safety and environmental measures and the promotion of consumption upgrade, inferior production capacity will be phased out. The aluminium packaging sector is highly concentrated. Driven by the rapid growth of downstream demand after 2010, many players scrambled to expand production capacity of two-piece cans, causing supply to grow faster than demand in a short period of time and thus intensifying competition. Since the prices of raw and auxiliary materials bounced in 2016, the sector has been shifting from craze to rationality under profitability pressure, and the survival of the fittest has begun. The steady growth and diversification of demand have also digested some excess capacity. Presently, the landscape of the packaging industry is becoming clearer. Foreign-funded enterprises are withdrawing from the Chinese market due to declining competitiveness, while domestic weak players are being merged and marginalised. And high-quality players are carefully expanding and integrating. Overall, the industry is recovering and profitability is expected to improve. Rooted in the

domestic market, the Group seized opportunities from the Belt and Road Initiative and closely cooperated with international famous brand customers for overseas expansion with advantageous products. In the Year, the Group launched the first overseas project to promote the internationalisation of packaging business. The project is now running smoothly. Meanwhile, the Group continued to strengthen technological innovation, improve supply chain competitiveness, make benchmarking-based improvements, strictly control costs with multiple measures, enhance operation and management level and labour efficiency, undertake corporate social responsibility, and carry out safety and environmental protection work to maintain green environment and conserve water.

Looking ahead, in view of the changes in the competitive landscape of the packaging industry and the balance between supply and demand, the overall profitability of the packaging industry is expected to improve. Under such a context, the Group will actively tackle the challenges and seize the opportunities by continuing to expand market segments with potential and enhance capacity deployment, strengthening industry synergies, conducting R&D and boosting innovation for continuous improvement in the competitiveness and performance of the Company.

Lastly, on behalf of the Board, I wish to express our sincere gratitude to the management and all the staff of the Group for their valuable service and contribution during the past year. I would also like to express our heartfelt gratitude to our customers, suppliers, business partners, and shareholders for their continuous support to the Group.

Zhang Xin
Chairman of the Board

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General Manager's Report

I am pleased to present to shareholders that for the year ended 31 December 2018, the Group's sales revenue was approximately RMB6,591 million, representing a year-on-year increase of approximately 10.3%; and the profit attributable to shareholders of the Company was approximately RMB255 million, representing a decrease of approximately 17.9% from RMB311 million in 2017. The basic earnings per share for the year ended 31 December 2018 amounted to RMB0.22.

The Board recommends the payment of a final dividend of RMB0.048 (equivalent to HK 5.6 cents) (2017: RMB0.061 (equivalent to HK 7.5 cents)) per ordinary share for the year ended 31 December 2018, subject to the approval to be obtained at the annual general meeting to be held on 3 June 2019. The proposed final dividend will be distributed on or after 26 June 2019 to the shareholders of the Company whose names appear on the shareholders' register on 13 June 2019.

A year of forging ahead against adversity for CPMC, the year 2018 witnessed a complex and changing external environment, fierce market competition and persistent high raw material prices, but the overall profitability of the industry gradually improved due to further industry consolidation and the rebalancing of demand and supply in downstream product segments. The Group internally focused on benchmarking management, and innovation, whereas externally attached great importance to the needs of strategic customers in line with market changes. Leveraging our differentiated premium products and services as well as innovative cooperation model, the Group achieved steady sales revenue growth and maintained a reasonable profit margin in 2018. Meanwhile, an agreement was signed for the Group's first overseas project to introduce a brand-new two-piece can production line in Belgium, aiming to offer products and services to our European customers in the first half of 2020.

The Group has been in the tinplate packaging business for a long time, with an array of products targeting different market segments. The advancement of supply-side reform and the increasing concentration of downstream industry, coupled with the prices of major raw materials still hovering at a high level in 2018 since the sharp rebound in prices from the third quarter of 2016, imposed great challenges to packaging companies. To address them, the Group differentiated product markets to focus on expanding into market segments with considerable potential and paid close attention to the need of strategic customers by developing and launching tailored new products and tightening control of quality and delivery, thus leading to an approximately 7.7% increase in the sales revenue of tinplate packaging business. Differentiated products such as steel barrels, three-piece beverage cans, round and square shaped cans all recorded a double-digit growth in sales revenue.

During the year, due to the rapid growth of the Group's two-piece can and one-piece can products, aluminium packaging business registered a year-on-year growth of approximately 12.7% in sales revenue and slightly improved profitability. In the aluminium two-piece can segment, as ORG acquired Ball Asia Pacific's business in China and the industry consolidation carried out in an orderly manner to gradually rebalance demand and supply, the Group steadily promoted the unleashing of acquired capacity, continued to sharpen our competitive edge in the industry by addressing the market demand for product variety, high quality and multiple batches

in a joint effort to support the sound and rational development of the industry. Meanwhile, the Group seized the right opportunity at the right time, resulting in an approximately 12.6% increase in sales revenue from the two-piece can business during the year. In the one-piece can segment, the Group persistently concentrated on the enhancement of manufacturing capacity and actively tapped into the market of potential customers, achieving outstanding results in both production and sales and recording a year-on-year growth of approximately 13.8% in sales revenue.

In the plastic packaging segment, the Company continued to reinforce the cooperation with customers in the household chemical product market while further developing the non-household chemical product market, posting a strong growth in sales revenue gained from customers in food and condiments sectors. The Group continued to refine the customer structure, facilitated new product research and development, explored new customers and product items, and stepped up efforts to carry out plant-within-a-plant collaborative projects so as to enhance customer stickiness. In 2018, sales revenue from the plastic packaging business increased by approximately 15.8% year on year.

During the year, as the related parties of the JDB project failed to perform their commitment to capital injection under the agreement, the Group stepped up its effort in response to the challenge by ceasing to supply cans to JDB and promptly adjusting our order structure with increased supplies to other quality customers during the second and third quarter of the year. In addition, we sought for legal actions to ensure proper protection of our shareholders' and the Company's interests, while maintaining close communication with related parties to explore and negotiate a deal for resolving the issue. Considering the dedication of the newly formed management team of JDB to streamlining human resource structure, consolidation of sales channels and improvement of management standard in the subsequent period, the Group gradually resumed supplying cans to JDB from the end of September, provided that JDB agrees on a "cash before delivery" basis, to help maintain its inventory level and prepare for the peak season of the retail industry during the Lunar New Year with a view to protecting our brand value and the benefits arising from the long-term cooperation.

Looking ahead, China's steady economic growth and continuous improvement in residential consumption will create great opportunities for further development of the downstream consumer good packaging sector. Meanwhile, changes in the competitive landscape will further highlight the competitive edge of the quality enterprises in the sector. The Group will pay close attention to the market changes at home and abroad and take actions accordingly, pursue opportunities in different market segments, carry out benchmarking for enhancement in response to increasing industry concentration, make full use of production capacity, strictly control investment return, gain the advantage of product differentiation, reinforce environmental and safety protection, fulfil social responsibilities and adhere to quality development, thus benefitting our customers by providing premium products and delivering greater value for shareholders.

Zhang Ye
Executive Director and General Manager

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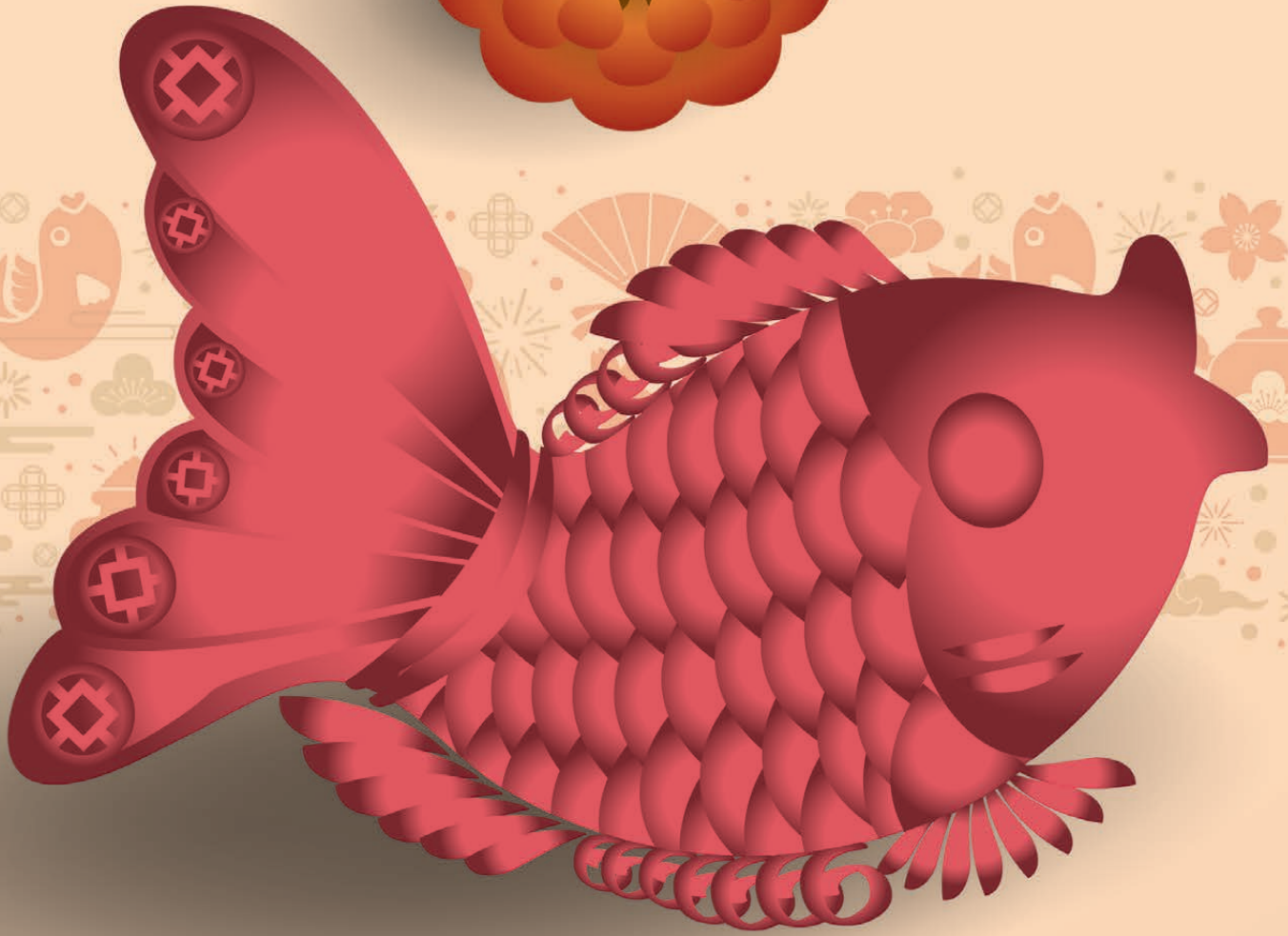
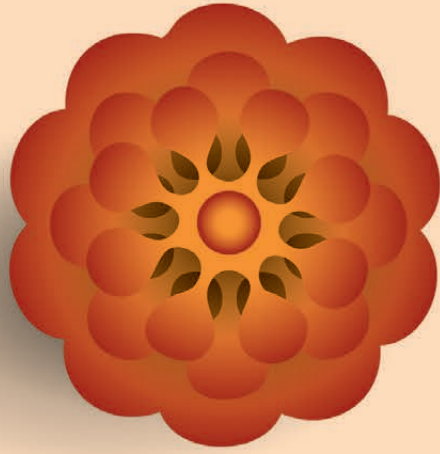
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Management Discussion and Analysis





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 tinplate packaging, aluminium packaging and plastic packaging. The Group carries out operations through 32 operating subsidiaries, an associate, a joint venture and their branches which are strategically located in different regions of the PRC 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.



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Tinplate Packaging

The Group uses tinplate as the primary raw material for its tinplate packaging, the products of which include milk powder cans, aerosol cans, metal caps, steel barrels, three-piece beverage cans, round and square shaped cans, printed and coated tinplate and other metal packaging. The Group is in a leading position in a number of market segments such as milk powder cans and twist caps.

In 2018, tinplate prices experienced a drastic rise. With a significant year-on-year increase in 2017, the price of tinplate during the year increased by approximately 7.2%, posing greater challenges to the overall profit from tinplate packaging products. The Group actively responded to the issue and achieved growth in both the sales and revenue from most tinplate packaging products. As at 31 December 2018, the sales revenue from the Group's tinplate packaging business amounted to approximately RMB3,522 million (2017: approximately RMB3,269 million), representing an increase of approximately 7.7% from 2017, and accounted for approximately 53.4% of the total sales (2017: approximately 54.7%). Due to the slight delay in the passing of the rapidly rising cost of raw materials to the selling price of products, the gross profit margin of the tinplate packaging business in 2018 was approximately 14.1% (2017: approximately 16.5%).

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 2018, the sales revenue from the milk powder can business amounted to approximately RMB594 million (2017: approximately RMB570 million), representing a year-on-year increase of approximately 4.2%. Since the implementation of the formula milk powder registration system a year ago, the brand concentration in the domestic market has been higher, the market shares of domestic brands have gradually increased, and the overall demand has remained stable and seen an upward trend occasionally. Aligning closely with the opportunities arising from the accelerating market consolidation amid the new policy environment, the Group increased its investment in key areas and gave full play to the advantage of the factory-within-a-factory business. The Group also catered to the needs of major customers and provided differentiated products and services accordingly to further enhance customer stickiness and garner the appreciation of branded customers. Renowned customers of the Group's milk powder cans include Yili, Feihe Dairy, Junlebao, Mengniu and Nestle.

Aerosol Cans

Aerosol cans are primarily used for the packaging of household chemical products (e.g. car maintenance products, air fresheners, personal care products and pesticides) and other chemical products. The Group strengthened its strategic cooperation with the leading enterprises in the industry segments, explored business opportunities in the regional markets, developed new products, and increased production capacity at a moderate pace to prepare for subsequent development. In 2018, the Group recorded sales revenue of approximately RMB355 million (2017: approximately RMB382 million), representing a year-on-year decrease of approximately 7.1%. Renowned customers of the Group's aerosol cans include Gunuo Tianjin, Shenzhen Rainbow, Johnson Shanghai, Zhongshan Lanju and Hebei Kangda.

Metal Caps

Metal caps include twist caps and crown caps. In 2018, the Group's sales revenue from the metal cap business amounted to approximately RMB472 million (2017: approximately RMB455 million), representing a year-on-year increase of approximately 3.7%. In prompt response to the market changes, the Group actively facilitated the application of new international standards in its twist cap business and improved the sales and profitability of products by leveraging the technical advantage of new product research and development. Renowned customers of the Group's metal caps include Haiday, Jiajiahong, Chubang, Lao Gan Ma, Anheuser-Busch InBev, China Resources Snow Beer and Tsingtao Brewery.

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Steel Barrels

The Group produces steel barrels with a volume of 200 litres or above, which are mainly used for carrying raw food ingredients (e.g. bulk edible oil) and chemical products. In 2018, the Group continued to promote the development of and cooperation with international brand customers, improved the order share of quality customers, coordinated production and marketing activities precisely, promoted the unleashing of new production capacity effectively, ensured the quality and timely delivery of products, increased investment in environmental protection, strengthened price management and obtained the trust of major customers. The sales revenue was approximately RMB815 million (2017: approximately RMB677 million), representing a year-on-year increase of approximately 20.4%. Renowned customers of the Group's steel barrels include Sinopec, Exxon Mobil, PetroChina, BASF, COFCO and Yihai Kerry.

Three-Piece Beverage Cans (Three-Piece Cans)

Three-piece beverage cans ("three-piece cans") are used widely for the packaging of protein drinks, energy drinks, mixed congee, fruit and vegetable juice, coffee, etc. The Group paid attention to the new products opportunities of the downstream market closely, served major customers actively and increased the supply proportion of quality customers diligently. The sales revenue from three-piece cans was approximately RMB528 million (2017: approximately RMB461 million), representing a year-on-year increase of approximately 14.5%. Renowned customers of the Group's three-piece beverage cans include Red Bull, Yangyuan, Yili, Yinlu and Lulu.

Round and Square Shaped Cans

The Group's round and square shaped cans products are mainly used in the packaging of various chemical oil paint, paint and small package of oils and fats products, etc. In 2018, the Group promoted the application of new craft and technology internally, continually reduced cost and improved efficiency, strengthened the development of new customers and price management externally, and achieved rapid growth in sales performance. During the year, the Group's sales revenue from round and square shaped cans business was approximately RMB254 million (2017: approximately RMB220 million), representing a year-on-year increase of approximately 15.5%. Renowned customers of the Group's round and square shaped cans include Whistler Group, Akzo Nobel, Carpoly, Foster and Yihai Kerry.

Printed and Coated Tinplates

The Group's printed and coated tinplates are mainly used in various gift candy boxes, food, chemicals, caps, batteries and other electronic and electric appliances (e.g. rice cookers). The products are also used to satisfy the Group's internal demand arising from the manufacture of cans (i.e. milk powder cans and three-piece beverage cans) and metal caps (i.e. twist caps and crown caps). In 2018, the Group's total production capacity of printed and coated tinplates increased by approximately 6.2% year on year. Limited by the increased internal demand, external sales revenue from the printed and coated tinplates business was approximately RMB311 million (2017: approximately RMB350 million), representing a year-on-year decrease of approximately 11.1%. Renowned customers of the Group's printed and coated tinplates include ORG, Supor, Lao Gan Ma, T.G. Battery and Panasonic.

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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 have been one of the core business developments of the Company in recent years.

In 2018, aluminium price remained at a high level, but decreased slightly since the third quarter. Demand from the domestic two-piece cans industry maintained steady growth, but newly-added production capacity was limited and the landscape of industry supply and demand gradually improved. The Group promoted the steady unleashing of new production capacity from mergers and acquisitions, developed multi-can-type supply capacity, dealt with market changes, adjusted order structure and proactively focused on overseas expansion opportunities. Meanwhile, the Group continued to improve the production efficiency of one-piece cans, leading to a continuous growth in sales revenue of aluminium packaging products. In 2018, the Group's sales revenue from aluminium packaging was approximately RMB2,461 million (2017: approximately RMB2,184 million), representing an increase of approximately 12.7% over 2017, and accounted for approximately 37.4% of the total sales (2017: approximately 36.5%). Gross profit margin of the aluminium packaging business in 2018 was approximately 16.4% (2017: approximately 16.2%).

Two-piece Beverage Cans (Two-piece Cans)

Two-piece cans products are primarily used for the packaging of beers, carbonated drinks and tea beverages. Since 2018, total market demand continued to maintain growth, and trend for product diversification demand began to emerge. However, newly-added production capacity was limited, adjustment frequency of production line model-switching increased, and industry supply and demand dynamics became more balanced. Meanwhile, as industry consolidation continued to progress in an orderly way, the whole two-piece can industry developed steadily. The Group steadily implemented the commissioning of a new production line of its acquired Haining-Jihong and gradually unleashed production capacity in the second half of 2018 to meet market demand. The Group also closely focused on overseas market opportunities, on 12 December 2018, the Group's subsidiary and Jiaying Haoneng entered into a framework agreement, intending to set up a joint venture and establish a two-piece can factory in Belgium to provide quality products and services for local customers in the beer and beverage industries. In 2018, the Group's sales revenue from the two-piece can business was approximately RMB2,280 million (2017: approximately RMB2,025 million), representing a year-on-year increase of approximately 12.6%. Renowned customers of the Group's two-piece cans include Snow Beer, Coca-Cola, Anheuser-Busch InBev, Tsingtao Brewery and JDB.

One-Piece Cans

One-piece cans products are primarily used for the packaging of household chemical products, beers, carbonated drinks and medical products. The Group continued to invest in research on and development of market segments, strengthened strategic cooperation with leading enterprises in the industry, and further improved production capacity and delivery capability while continuing to focus on the development of new products and new customers. In 2018, the Group's sales revenue from one-piece cans was approximately RMB181 million (2017: approximately RMB159 million), representing a year-on-year increase of approximately 13.8%. Renowned customers of the Group's one-piece cans include Anheuser-Busch InBev, Tsingtao Brewery, Carlsberg, and South Ocean (南洋藥業), etc.

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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 2018, the Group continued to enhance customer and order structure, improve production efficiency and product quality, and further secured its dominant position in the household chemical products market by further boosting automation and implementing the plant-within-plant model. The Group also expanded the food customer market rapidly and increased the revenue of plastic business so as to improve the profitability. The sales revenue from the plastic packaging business was approximately RMB608 million in 2018 (2017: approximately RMB525 million), representing a year-on-year increase of approximately 15.8%, and accounted for approximately 9.2% of the total revenue (the same period of 2017: approximately 8.8%). Due to the initial investment in new plants and accounting adjustments, the gross profit margin of the plastic packaging business in 2018 was approximately 11.7% (the same period of 2017: approximately 12.7%). Renowned customers of the Group's plastic packaging include P&G, Blue Moon, Reckitt Benckiser, Haiday, Pigeon and Heinz.

Outlook for 2019

In 2019, with the continuous improvement in people's living standards, consumption, as the major driver of economic growth, will continue to push forward the steady growth of the Chinese economy. Meanwhile, the gradual balance between supply and demand in relevant industries, the improving competitive landscape and the stable prices of raw materials can also boost the quality development of enterprises. The Group will keep closely aligned with customers' needs, dig opportunities in the industry, consolidate the market position of advantageous and profitable products, develop potential markets, give full play to the synergies of multi-product lines, promote the unleashing of new production capacity, continue to enhance the deployment of production capacity and ensure the sound implementation of overseas projects while keeping domestic footprints. The Group will solve the JDB project disputes properly, serve customers with quality products and reward shareholders with satisfactory performance.

Financial review

For the year ended 31 December 2018, revenue of the Group amounted to approximately RMB6,591 million (2017: approximately RMB5,978 million), representing an increase of approximately RMB613 million or 10.3%. The increase in revenue was primarily due to the increase in the sales volume of our products. Gross profit margin reached approximately 14.7% in the year of 2018 (2017: approximately 16.1%), representing a slight decrease as compared with the same period in the previous year. The decrease was primarily due to the impact of the rise in the prices of raw materials.

For the year ended 31 December 2018, net profit amounted to approximately RMB265 million (2017: approximately RMB312 million), representing a decrease of approximately RMB47 million or 14.9% as compared to the same period in the previous year, primarily due to the decreased gross profit margin of the products.

GROUP'S PROFIT

For the year ended 31 December 2018, the Group's profit before income tax was approximately RMB346 million (2017: approximately RMB410 million), representing a decrease of approximately RMB64 million or 15.6% as compared to the same period in the previous year.

Finance costs were approximately RMB90 million (2017: approximately RMB44 million), representing a larger increase as compared to the same period in the previous year, which was mainly due to the increase in the financing scale.

Income tax expenses were approximately RMB80 million (2017: approximately RMB98 million). The effective income tax rate of the Group in 2018 was approximately 23.3% (2017: approximately 24.0%).

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CASH FLOW, FINANCIAL RESOURCES AND GEARING RATIO

In 2018, the Group's main sources of funding were cash generated from operating activities and bank loans.

	31 December 2018 RMB (million)	31 December 2017 RMB (million)
Net assets	5,249	5,292
Cash and cash equivalents	894	711
Total borrowings	4,093	3,248
Equity attributable to equity holders of the Company	4,897	4,976
Current ratio	1.1	1.5
Gearing ratio*	65.3%	51.0%

* 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 2018, the Group had net assets of approximately RMB5,249 million (31 December 2017: approximately RMB5,292 million). Equity attributable to equity holders of the Company was approximately RMB4,897 million, which has slightly decreased as compared to approximately RMB4,976 million as at 31 December 2017.

The current ratio and gearing ratio as at 31 December 2018 were approximately 1.1 and approximately 65.3%, respectively (31 December 2017: approximately 1.5 and approximately 51.0% respectively). The current ratio as at 31 December 2018 was approximately 1.1, which has decreased by approximately 0.4. It was mainly due to the fact that certain bank loans will be matured within one year. The increase in gearing ratio from approximately 51.0% as at 31 December 2017 to approximately 65.3% as at 31 December 2018 was mainly due to the increase in the bank loans of the Company. Interest-bearing bank loans were approximately RMB4,093 million as at 31 December 2018. The Group did not have any assets that were pledged for the outstanding bank loans as at 31 December 2018 and 31 December 2017.

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CAPITAL EXPENDITURE, COMMITMENTS AND CONTINGENT LIABILITIES

For the year ended 31 December 2018, the Group's capital expenditure was approximately RMB658 million, which was as follows:

	RMB million	Percentage of capital expenditure
Acquisition of new companies and related investment	120	18.2%
Investments in a joint venture	78	11.9%
Tinplate project	94	14.3%
Two-piece cans project	148	22.5%
Steel barrels project	67	10.2%
Plastics project	68	10.3%
Other equipment purchases	83	12.6%
Total	658	100.0%

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At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018 RMB'000	2017 RMB'000
Within one year	5,510	4,624
In the second to fifth years, inclusive	6,959	185
After five years	243	–
	12,712	4,809

As at 31 December 2018, the Group had the following capital commitments:

	2018 RMB'000	2017 RMB'000
Contracted, but not provided for:		
property, plant and equipment	514,337	361,417
capital contribution payable to a joint venture	1,122,759	1,200,935

As at 31 December 2018, 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 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 31 December 2018, the Group had 6,743 full-time employees (2017: 6,488), of which approximately 1,815 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 2018:

Function	No. of employees	Percentage of total no. of employees
Management and Administration	886	13.2%
Sales and Marketing	259	3.8%
Research and Development in Technology and Engineering	798	11.8%
Production and Quality Control	4,800	71.2%
Total	6,743	100.0%

As at 31 December 2018, the Group's total staff cost was approximately RMB626 million, as compared to RMB572 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.

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Major risks and uncertainties

In order to stabilise business operation, the Company's management shows great concern on the risk factors which the Company may face in its operation. Based on critical risk indicators and through assessment and analysis, the following major possible risks are identified:

1. Operational risks from macroeconomic control:

Macroeconomic control has considerable impact on downstream companies and will indirectly affect the sales and profits of packaging companies (including the Group).

2. Operational risks from fluctuations in raw material prices and exchange rates:

Raw material costs represent a relative high proportion in our production costs, hence, fluctuations in raw material prices will have considerable impact on the generation of profits.

3. Risks from market competition:

With relatively low concentration in our sector, companies with considerable scale and capacity have viewed further expansion of their production and marketing scale and maximisation of market share as their main objectives. This will give rise to keen market competition.

4. Risks from food safety:

Failure to meet the national or industrial safety standards in food production will cause food safety issues to customers. This will give rise to the risks of return of goods or financial losses.

5. Quality risks:

Failure to satisfy the statutory standards or customers' needs in relation to product quality or performance will give rise to lot quality problem, of which defective lots or inventories will result in losses.

ARBITRATION

As disclosed in the announcements of the Company dated 6 July 2018 and 9 July 2018, CPMC Investment Co., Ltd. ("CPMC Investment"), an indirectly wholly-owned subsidiary of the Company, entered into the capital increase agreement (the "Capital Increase Agreement") with Wong Lo Kat Limited ("Wong Lo Kat"), Wisdom Kingdom Limited ("Wisdom Kingdom") and Qingyuan JDB Herbal Plant Technology Co., Ltd.* (清遠加多寶草本植物科技有限公司) ("Qingyuan JDB Herbal") on 30 October 2017 (details of which are set out in the Company's announcement dated 30 October 2017 and the circular dated 30 November 2017). Nonetheless, since Wong Lo Kat has not performed its undertaking to inject the JDB Trademarks to Qingyuan JDB Herbal as its asset capital contribution pursuant to the Capital Increase Agreement, CPMC Investment has filed an arbitration application to Hong Kong International Arbitration Centre against Wong Lo Kat, Wisdom Kingdom and Qingyuan JDB Herbal with regard to the aforesaid matter on 6 July 2018 (the "Arbitration"). As at the date of this report, there was no material development on the Arbitration application. Having considered the legal advice and that the Arbitration is in a preliminary stage, the Board consider that the ongoing Arbitration is not likely to have material adverse financial impact upon the Group at this stage. As at the date of this report, the board of directors of Qingyuan JDB Herbal has been established in accordance with the Capital Increase Agreement and currently comprises three members, including one member appointed by Wisdom Kingdom, one member appointed by CPMC Investment and one member appointed by Wong Lo Kat. At the board meeting of Qingyuan JDB Herbal held in August 2018, the directors representing Wisdom Kingdom and Wong Lo Kat had voted against the resolution regarding distribution of the Committed Dividend because the Group was undergoing the Arbitration with Wisdom Kingdom, Wong Lo Kat and Qingyuan JDB Herbal. As such, no Committed Dividend was recognised pursuant to HKFRSs. Apart from instructing the director representative of CPMC Investment to vote

* For identification purpose only

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for the resolution regarding distribution of the Committed Dividend at the said board meeting of Qingyuan JDB Herbal, CPMC Investment had also requested for distribution of the Committed Dividend at the general meeting of Qingyuan JDB Herbal held in August 2018, and sent written requests in this regard to Qingyuan JDB Herbal during the course of Arbitration but received no reply. Currently, the Group is trying to pursue the Committed Dividend through the Arbitration. In the event an award is rendered in favor of the Group's claim for damages, the Group may receive the amount covering the Committed Dividend. No provision in respect of the Arbitration was made in the consolidated financial statements of the Group for the year ended 31 December 2018. The Company will keep the shareholders informed on the status of this Arbitration.

MANAGEMENT'S VIEWS ON THE QUALIFIED OPINION

As disclosed on pages 166 to 173 of this annual report, the Company's auditor, Ernst & Young ("EY"), expressed a qualified opinion in relation to the impairment assessment (the "Impairment") of the Group's investment in Qingyuan JDB Herbal with carrying amount of RMB1,209,099,000 as at 31 December 2018 since EY were unable to obtain reliable historical financial information related to Qingyuan JDB Herbal to evaluate the assumptions adopted by the Company's management in their impairment assessment. For EY to conduct the evaluation, they have to obtain and consider a basket of factors, information and documents, which they consider necessary but the evidence available to them was limited because they were not appointed as auditor of Qingyuan JDB Herbal.

Despite there was insufficient reliable historical financial information for EY to assess the Impairment, the management formed the view that Impairment was not necessary after having considered the following factors:

1. Merits of the Arbitration and Litigation

Despite the Company's legal advisors are unable to provide the legal opinions on the anticipated results of the Arbitration and the litigation application (the "Litigation") filed by the Group against Wong Lo Kat on 31 August 2018 in relation to preservation of the JDB trademarks owned by Wong Lo Kat in the PRC at this stage since the trial hearings of both cases have not yet commenced, the management was confidence in the overall progress and expected a favourable result of the Arbitration and Litigation.

During the period from June 2018 to March 2019, the management had held 9 meetings with its Arbitration legal advisor. The Arbitration application was made by the Group after having various rounds of consultation and analysis with its legal advisors and based on the facts, agreements and applicable laws and regulations of the case. The management believes that the Group's proposition in the Arbitration has contractual, legal and reasonable basis in both facts and laws. The Arbitration currently is under progress in accordance with the timetable stipulated in the Procedure Order. According to the practical experiences of the Company's legal advisors, the management is optimistic that there is no unreasonable circumstance beyond expectation which might adversely affect the Company's case found at this stage.

During the period from June 2018 to March 2019, the management had held 12 meetings with its Litigation legal advisor. In order to timely preserve the JDB trademarks and secure the legitimate interest of the Group, the Group had filed a shareholder's claim in the court of Guangdong to request Wong Lo Kat to fulfil its capital contribution obligation in accordance with the Shareholders' Meeting Resolutions of Qingyuan JDB Herbal dated 30 November 2017 after having rounds of analysis with the legal advisor on the facts, laws and regulations of the case, and formed the ideas to carry out the Litigation in the PRC which could target on the differences between PRC laws and the Hong Kong laws and arbitration rules in the perspective of parties, litigation claim, liabilities, and legal relationship. After reviewing the claim, the court of Guangdong supported the Group's view and rejected Wong Lo Kat's objection on jurisdictional power. Although Wong Lo Kat has filed a second claim on the objection on jurisdictional power, according to the practical experiences of the Company's legal advisor, comprehensive analysis and legal argumentation, the management is optimistic on the result of the second claim brought by Wong Lo Kat and the result of the Litigation.

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2. Financial information of JDB Group

Since Wong Lo Kat was obliged to arrange the JDB trademarks to be injected into Qingyuan JDB Herbal under the Capital Increase Agreement, therefore the updated value of the JDB trademarks was relevant to the Impairment assessment on Qingyuan JDB Herbal and an updated version of the valuation report on the JDB trademarks which was prepared for the Group's investment in Qingyuan JDB Herbal in 2017 (the "2017 Valuation") is required for the assessment of the Impairment. However, such updated version of the 2017 Valuation could not be obtained since the JDB trademarks' owners, namely Wong Lo Kat, Wisdom Kingdom and their associated companies (collectively, the "JDB Group"), are the disputing parties to the Group in the Arbitration and Litigation and did not cooperate and provide the JDB trademarks' owners' authorization for conducting the reassessment of the JDB trademarks.

As the Group was unable to obtain an updated version of the 2017 Valuation, the management had alternatively considered the financial information including the profit and loss statements of Qingyuan JDB Herbal and JDB Group (being the owner of the JDB trademarks whose financial information may reflect the value of the JDB trademarks to a certain extent) provided by JDB Group in early March 2019 (the "JDB Financial Information") in the Impairment assessment.

Pursuant to the Capital Increase Agreement, CPMC Investment and Wong Lo Kat had to inject RMB2 billion and RMB3 billion respectively into Qingyuan JDB Herbal. Such injection comprised (i) contribution to the registered capital and (ii) contribution to the capital reserve of Qingyuan JDB Herbal. As at the date of this report, the contribution status of Qingyuan JDB Herbal is as follow:

Shareholder	Registered capital (USD million)	Percentage sharing in the registered capital (%)	Actual paid up capital (USD million)	Percentage sharing in the actual paid up capital (%)
Wisdom Kingdom	40	23.55	40	43.51
CPMC Investment	51.94	30.58	51.94	56.49
Wong Lo Kat	77.91	45.87	0	0
Total	169.85	100.00	91.94	100.00

As at 31 December 2018 and up to the date of this report, CPMC Investment had contributed RMB877.24 million^(note) in Qingyuan JDB Herbal, among which RMB343.64 million (approximately USD51,940,000) was applied as full settlement for its contribution to the registered capital of Qingyuan JDB Herbal, and RMB533.60 million was contributed to the capital reserve of Qingyuan JDB Herbal. On the other hand, Wong Lo Kat has not yet made any capital contribution into Qingyuan JDB Herbal. Despite Wong Lo Kat has not paid up its shares in the registered capital of Qingyuan JDB Herbal, the voting rights exercisable by a shareholder is proportion to the registered capital of the Company under the law of the PRC and the articles of association of Qingyuan JDB Herbal, no matter such contribution in the registered capital has been paid up or not. Therefore, Qingyuan JDB Herbal was accounted for as a 30.58%-owned joint venture of CPMC Investment pursuant to the registered capital of Qingyuan JDB Herbal as set out in the industrial and business registration record and the articles of association of Qingyuan JDB Herbal.

Note:

The amount of RMB877.24 million is exclusive of an amount of RMB331.9 million, being the value of the aluminum beverage cans already supplied by the Group as its asset capital contribution in Qingyuan JDB Herbal made pursuant to the Capital Increase Agreement, which was accounted for "other non-current receivables". Such asset capital contribution could not be accounted for share capital contributed to Qingyuan JDB Herbal since the same has not been valued due to the on-going Arbitration and the shareholders of Qingyuan JDB Herbal have not agreed on the making of the valuation report on the said asset capital contribution.

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Accordingly, as Qingyuan JDB Herbal could not be accounted for as a subsidiary of the Company and EY was not the auditor of Qingyuan JDB Herbal and JDB Group, the Company and EY only have limited access to the financial records of Qingyuan JDB Herbal as the other shareholders of Qingyuan JDB Herbal, both being counter-parties to the Group in the Arbitration, did not grant the authorisation of full assessment to the Company and EY during the Arbitration. Therefore, as the JDB Financial Information received by the Group was prepared by JDB Group, and EY was not the auditor of Qingyuan JDB Herbal and JDB Group and was not authorized to have full access to the financial records of Qingyuan JDB Herbal nor any access to the financial records of JDB Group, EY could not adopt the JDB Financial Information as reliable historical financial information in its Impairment assessment pursuant to Hong Kong Standards on Auditing (“HKSAAs”).

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Despite the JDB Financial Information was prepared by JDB Group and the Group was unable to verify the contents therein since JDB Group is not a public company and there was no available audited financial information of JDB Group in public domain, the management found no obvious reason to doubt on the contents of the JDB Financial Information, and considered it as the major source for assessing the necessity of the Impairment in the absence of an updated 2017 Valuation.

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Qingyuan JDB Herbal principally engages in supply of concentrates, aluminum beverage cans and other raw materials of herbal tea products to members of the JDB Group. Since Wong Lo Kat failed to fulfil its obligation to inject the JDB Trademarks into Qingyuan JDB Herbal as its asset capital contribution pursuant to the Capital Increase Agreement, the Group ceased to supply aluminum beverage cans to Qingyuan JDB Herbal in May 2018. After negotiations, the parties resolved in October 2018 that, apart from the asset capital contribution by the Group, the Group must receive the deposit from Qingyuan JDB Herbal in full before producing aluminum beverage cans for Qingyuan JDB Herbal. The Group believes that this measure can control credit risk and can also restore the operation of Qingyuan JDB Herbal as well as JDB Group as soon as practicable. Save for this suspension, the Group has been supplying aluminum beverage cans to Qingyuan JDB Herbal pursuant to the Aluminum Beverage Cans Framework Agreement and the Aluminum Beverage Cans Framework Agreement has been operated normally. For the year ended 31 December 2018, Qingyuan JDB Herbal has purchased aluminum beverage cans from the Group only, which was not lower than 70% of JDB Group’s annual demand for aluminum beverage cans. Based on the purchase order of aluminum beverage cans placed by Qingyuan JDB Herbal with the Group, the meetings and interviews conducted between the management of the Company and JDB Group and other information available to the Group, the management believed the business of Qingyuan JDB Herbal has been operated normally.

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For the year ended 31 December 2018, Qingyuan JDB Herbal recorded a revenue of approximately RMB304 million and a net loss of approximately RMB7 million. Such net loss included the adjustment regarding an increase in depreciation expenses (net of tax effect) of approximately RMB9 million arising from the difference between fair value and book value of the item of property, plant and equipment at the acquisition date. Excluding such adjustment, Qingyuan JDB Herbal recorded a net profit of approximately RMB2 million for the year ended 31 December 2018.

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Comparing the JDB Financial Information with the financial information of JDB Group obtained by the Group in 2017 during the major transaction of the Investment, the management observed that the operating performance of JDB Group has been improving over time. Besides, after having reviewed the actual operation performance of JDB Group as shown in the JDB Financial Information and the amount of purchase orders placed by JDB Group with the Group, the management believed JDB Group should be able to maintain its daily operation and have sufficient cash to meet with its daily operation needs. Furthermore, the Group has also conducted numerous meetings and interviews with the management of JDB Group to understand its state of operation (including JDB Group’s sale strategy, employees and expenses reduction measures, etc.) and based on the information available to the Group, the Group believes that the operation of JDB Group has been improving and thus the fair value of the JDB trademarks as of 31 December 2018 was unlikely to be materially different from that in the 2017 Valuation.

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The management understands and agrees that pursuant to the HKSAAs, EY has to make a qualified opinion in its auditor's report on the Group's consolidated financial statements for the year ended 31 December 2018 (the "Auditor's Report") since EY could not obtain reliable historical financial information to justify the management's assumption on the Impairment assessment. However, since the management was not abide by HKSAAs and could comprehensively take into account all available factors and information (including those could not be adopted by EY) in determining the necessity of the Impairment, the management formed the view that the Impairment was unnecessary while EY has scope limitation on the impairment assessment.

As the qualified opinion was caused by the limited reliable information for assessment of the impairment of the Group's investment in Qingyuan JDB Herbal provided to EY, and such unavailability of reliable information was arose from the Arbitration, the Company believes the qualified opinion can be addressed and resolved by the closing or settlement of the Arbitration.

The Group will continue to proceed with the Arbitration. After obtaining the parties' opinions and pursuant to the applicable arbitration rules, the arbitration tribunal tentatively fixed the first date of hearing on 8 July 2019, and it is likely that the arbitration award will be ready in several months after completion of the hearing. In the event the award is granted in favour of the Group and orders the injection of the JDB trademarks into Qingyuan JDB Herbal, the Group will arrange the recognition and enforcement of the award accordingly.

Apart from the Arbitration, the Group will also actively communicate and discuss with JDB Group to explore the opportunity to settle the disputes through other measures and hopefully shorten the time for resolving the disputes.

In light of the expected timeline of the Arbitration and on the basis that no unforeseeable event or event of force majeure in relation to the Arbitration takes place, the Company expects the qualified opinion will be removed in next year's auditor's report.

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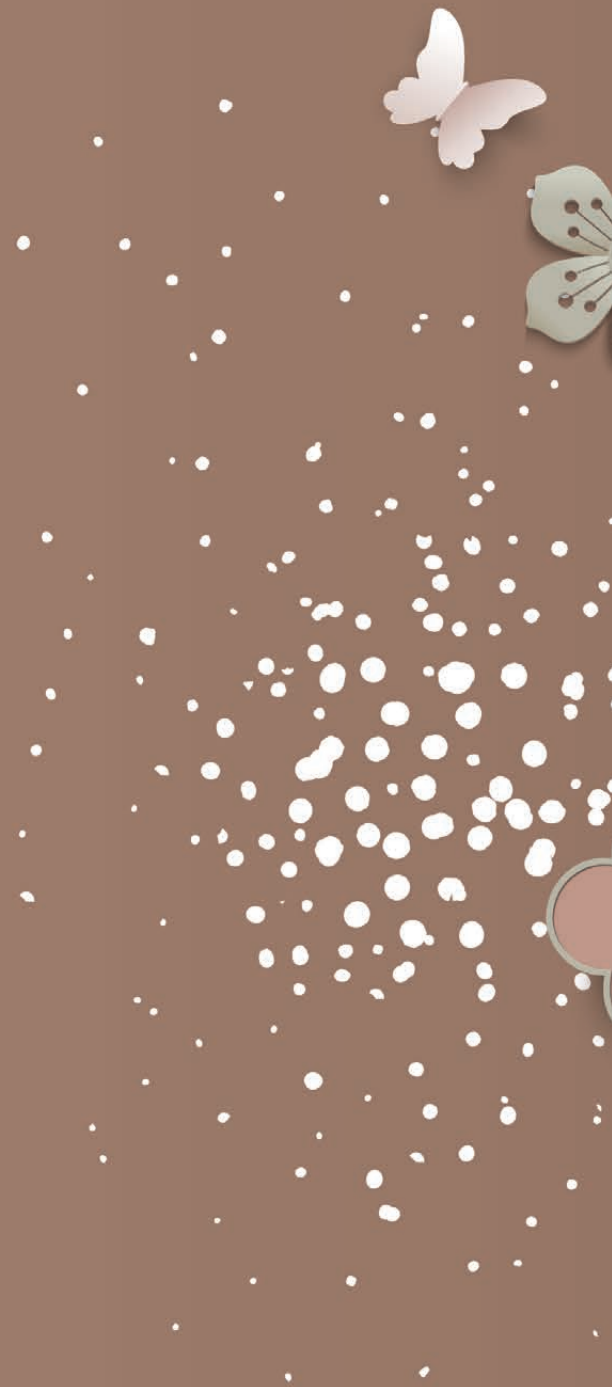
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AUDIT COMMITTEE'S VIEWS ON THE QUALIFIED OPINION

Having considered the JDB Financial Information, the work done reported by the management and that the Group were not aware or notified of any adverse development on the Investment since the announcement of the Company's 2018 interim results, the Audit Committee did not object the management's view that the Impairment was not necessary after taking into account the executive Directors and management's (1) understanding on the operation status of JDB Group; (2) analysis on the Arbitration and Litigation; and (3) consideration on the proposal of resolving the issues in relation to the Investment.

On the other hand, as EY was not provided with reliable historical financial information related to Qingyuan JDB Herbal to evaluate the assumptions adopted by the management in its Impairment assessment, the Audit Committee understands and agrees to EY's basis for the qualified opinion in the Auditor's Report.

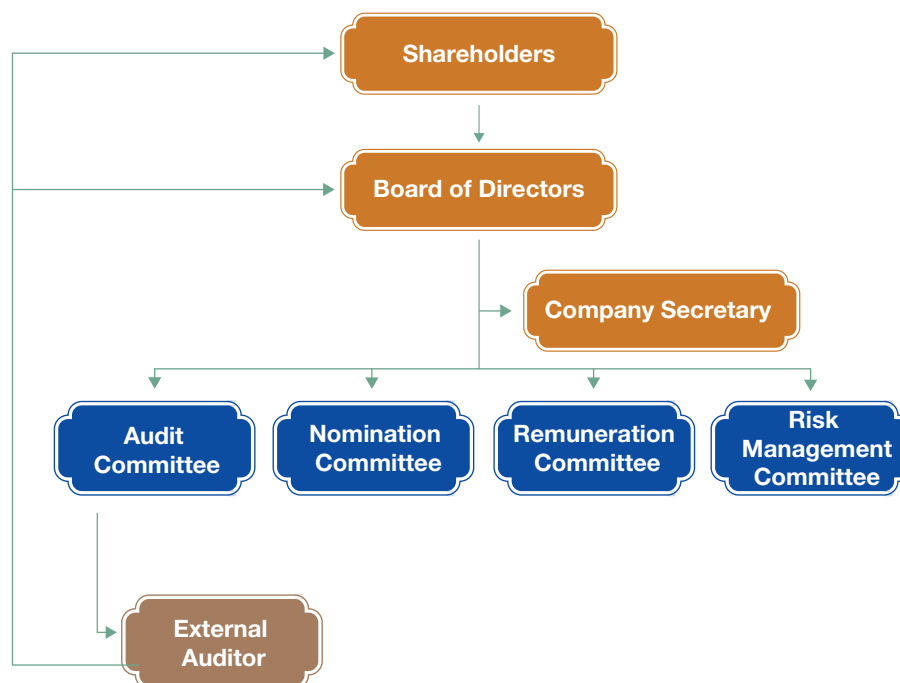
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CORPORATE GOVERNANCE STRUCTURE



The Board is fully aware of the importance of corporate ethics in running a successful company and believes that a good and solid corporate governance framework has given the Company the edge in attracting and retaining talent, enhancing customers' loyalty and reinforcing relationships with suppliers, and retaining its position as a leading manufacturer of packaging products of integrated consumer goods. During the Year, the Company had adopted all the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance. The Directors consider that since the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 November 2009, save for those disclosed in this annual report, the Company has complied with the code provisions under the CG Code.

The Board will continue to review and monitor its current corporate practices and procedures of the Company from time to time and will maintain and further enhance the standard of corporate governance practices of the Company in order to ensure that formal and transparent procedures are in place to protect and maximise the interests of the current and potential shareholders, investors, employees, business partners and the community as a whole.

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. Having made specific enquiries to all Directors, all the Directors have confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 December 2018.

BOARD OF DIRECTORS

Board composition

The Board is responsible for leading and controlling the business operations of the Group. Decisions made are in the best interests of the shareholders of the Company (the “Shareholder(s)”) and for maximising the Shareholders’ return. The Directors formulate strategic directions, oversee the operations and monitor the financial and management performance of the Group as a whole. During the Year and up to the date of this annual report, the Board comprise a combination of two executive Directors, four non-executive Directors and three independent non-executive Directors as follow:

Executive Directors:

- Mr. Zhang Xin (*Chairman*)
- Mr. Zhang Ye (*General Manager*)

Non-executive Directors:

- Ms. Yu Youzhi
- Mr. Chen Qianzheng
- Mr. Zhou Yuan
- Mr. Shen Tao

Independent non-executive Directors:

- Mr. Cheng Yuk Wo
- Mr. Fu Tingmei
- Mr. Pun Tit Shan

The members of the Board are well-balanced in abilities with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group.

The biographical information of the Directors is set out on pages 64 to 67 of this annual report. Save as disclosed in the section headed “Directors and Senior Management Profile” in this annual report, there is no financial, business, family or other material or relevant relationship among members of the Board and senior management.

The Company has appointed three independent non-executive Directors representing one-third of the Board. Mr. Cheng Yuk Wo, being one of the independent non-executive Directors, has professional qualifications in accountancy. One of the important duties of the independent non-executive Directors is ensuring and monitoring the basis for an effective corporate governance framework. Their participation provides adequate checks and balances to safeguard the interests of the Group and its shareholders, including the review of continuing connected transactions described in other sections of this annual report. The Board confirms that the Company has received from each of the independent non-executive Directors a confirmation of independence for the year ended 31 December 2018 pursuant to Rule 3.13 of the Listing Rules and considers such Directors to be independent.

Although each of Mr. Cheng Yuk Wo and Mr. Fu Tingmei served as an independent non-executive Director for more than nine years, the Board considers that each of Mr. Cheng Yuk Wo and Mr. Fu Tingmei is a person of integrity and independent in judgement and character. They are independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of their independent judgement. The Board considers that each of Mr. Cheng Yuk Wo and Mr. Fu Tingmei meets the independent guidelines set out in Rule 3.13 of the Listing Rules, and is of the view that their independence is not affected by their long service with the Company.

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Functions of the Board

The Board is responsible for overseeing the management of the Company's business and affairs with the goal of maximising the Shareholders' return. The Board has the following major duties:

- determination of all the corporate matters;
- be responsible for the management, direction and supervision of the business of the Group;
- to ensure the effectiveness of the Group's financial reporting and compliance;
- formulation of business strategies and business plans;
- planning and overseeing mergers, acquisitions or divestments and other major capital expenditure projects;
- internal control and risk management;
- evaluation of the performance of the Group and the senior management; and
- be responsible for the annual and interim financial results and shareholder communications.

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The Board, led by the chairman of the Company (the "Chairman"), is responsible for the leadership and control of the Company, formulation of overall strategies and policies, evaluation of the performance of the Group and management, and approval of matters or transactions of a material nature or those requiring disclosure under the Listing Rules.

The management, under the leadership of the general manager of the Company (the "General Manager"), is responsible for the business and day-to-day operations of the Group and implementation of the strategies and policies set by the Board. The General Manager is responsible for overseeing and monitoring the operations of business units or functional divisions.

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Delegation by the Board

To assist the Board in the execution of its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to an audit committee (the "Audit Committee"), a remuneration committee (the "Remuneration Committee"), a nomination committee (the "Nomination Committee"), a risk management committee (the "Risk Management Committee") and the senior management. On 23 October 2009, the Board approved the forming of the Audit Committee, Remuneration Committee and Nomination Committee upon the listing of the Shares on the Stock Exchange. On 22 December 2016, the Board approved the formation of the Risk Management Committee. The Board delegates the authority and responsibility of the daily operations, business strategies and day-to-day management to the General Manager and senior management. The final decision(s) are still under the control of the Board unless otherwise provided for in the terms of reference of the four committees.

Chairman and General Manager

Code Provision A.2.1 of the CG Code stipulates that the roles of Chairman and General Manager should be separate and should not be performed by the same individual. In effect, the Chairman, Mr. Zhang Xin, had been responsible for the Group's business strategic and effective operation of the Board during the Year. Furthermore, the role of the Chairman is to encourage and facilitate active contribution of Directors in Board activities and constructive relations between executive and non-executive Directors. With the support of the executive Directors and the senior management, Mr. Zhang Xin had ensured the Directors to have receive adequate information, which is complete and reliable, in a timely manner during the Year. The General Manager, Mr. Zhang Ye, is primarily responsible for the executive management of the Group's daily operations and to ensure the Group's business plans and strategies are effectively implemented to achieve the goals of the Group during the Year.

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Directors' Appointments, Re-election and Removal

Each of the Directors has a specific term of appointment for three years.

The Articles of Association (the "Articles") of the Company provides that any Director appointed by the Board, either to fill a casual vacancy in the Board or as an addition to the existing Board, shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Further, under the Articles, one-third of all Directors (whether executive or non-executive) is subject to retirement by rotation and re-election at each annual general meeting provided that every Director shall be subject to retirement at least once every three years, and a retiring Director shall be eligible for re-election.

Members of the Company may, at any general meeting convened and held in accordance with Articles, remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in the Articles or in any agreement between the Company and such Director.

Board meetings and Board practices

Under code provision A.1.1 of the CG Code, the Board shall meet regularly and at least four times a year at approximately quarterly intervals. The Board has scheduled to meet at least four times a year in approximately quarterly intervals in accordance with the Articles. The Board meets physically and regularly. During the year ended 31 December 2018, 8 Board meetings were held. The Directors attended the meetings in person or by telephone in accordance with the Articles. A summary of the Directors' meeting attendance during the Year is as follows:

	Attendance/Total board meetings held during the Year*
Executive Directors	
Mr. Zhang Xin	8/8
Mr. Zhang Ye	8/8
Non-executive Directors	
Ms. Yu Youzhi	8/8
Mr. Chen Qianzheng	8/8
Mr. Zhou Yuan	8/8
Mr. Shen Tao	8/8
Independent non-executive Directors	
Mr. Cheng Yuk Wo	8/8
Mr. Fu Tingmei	8/8
Mr. Pun Tit Shan	8/8

* During the Year, there was 1 out of the 8 Board meetings related to connected transaction, in which Directors who were deemed to have material interest had abstained from voting at that Board meeting.

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According to the current Board practice, notices of the Board meetings are served to all Directors before the meeting. Generally, at least 14 days' notice is given for regular Board meetings by the Company to all Directors. Reasonable notice is given for all other Board meetings. The company secretary of the Company (the "Company Secretary") assists the Chairman to prepare Board meeting agenda and papers together with all appropriate, complete and reliable information. Each Director may request the Company Secretary to include any matters in the agenda during the Board meetings. All substantive agenda items together with comprehensive briefing papers will be sent to all Directors at least 3 days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions.

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General meetings with the Shareholders

The 2018 annual general meeting (the "2018 AGM") was held on 28 May 2018. A summary of the general meeting attendance during the Year is as follows:

	Attendance/Total general meetings held during the Year
Executive Directors	
Mr. Zhang Xin	1/1
Mr. Zhang Ye	1/1
Non-executive Directors	
Ms. Yu Youzhi	0/1
Mr. Chen Qianzheng	0/1
Mr. Zhou Yuan	0/1
Mr. Shen Tao	0/1
Independent non-executive Directors	
Mr. Cheng Yuk Wo	1/1
Mr. Fu Tingmei	1/1
Mr. Pun Tit Shan	1/1

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Code provision A.6.7 of the Code stipulates that the independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders of the Company. Ms. Yu Youzhi, Mr. Chen Qianzheng, Mr. Zhou Yuan and Mr. Shen Tao were unable to attend the annual general meeting of the Company held on 28 May 2018 as they had other business engagement.

Supply of and access to information

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All Directors may access the advice and services of the Company Secretary. Minutes of the Board and meetings of the Board committees are kept by the Company Secretary and such minutes are open for inspection at any reasonable time upon reasonable notice by the Directors. Any Director may request the Company to provide independent professional advice at the Company's expense to discharge his duties to the Company.

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Important matters are usually dealt with by way of written resolutions so that all Directors (including independent non-executive Directors) can note and comment on, as appropriate, the matters before approval is granted. Moreover, a Director must declare his interest in matters or transactions to be considered and approved by the Board. If a substantial Shareholder or a Director has an interest in a matter to be considered by the Board which the Board has determined to be material, the Company will not deal with the matter by the way of written resolution. The independent non-executive Directors shall take an active role and make an independent judgment on all issues relating to such matter. If any Director or his close associates have any material interest in any proposed Board resolutions, such Director shall not vote (nor shall be counted in the quorum) at a meeting of the Directors on any resolutions approving any contract or arrangement or concerning a matter in which he or any of his close associates has directly or indirectly a material interest (save as provided under the Articles).

Directors' and Officers' liability insurance

The Company has arranged directors' and officers' liability insurance for all Directors and senior management of the Company for the year 2018/2019. The insurance covers the corresponding costs, charges, expenses and liabilities for legal action of corporate activities against them.

Responsibilities of directors

The Company ensures that every newly appointed Director has a proper understanding of the operations and business of the Group and that he or she is fully aware of his or her responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company.

The non-executive Directors exercise their independent judgement and advise on the business direction and strategic plans of the Company. The non-executive Directors also review the financial information and operational performance of the Company on a regular basis.

The independent non-executive Directors take an active role in Board meetings and make independent judgment on issues relating to matters or transactions of a material nature. They will take the lead where potential conflicts of interest arise. In compliance with Rule 3.10(1) of the Listing Rules, there are three independent non-executive Directors, representing one-third of the Board. Among the three independent non-executive Directors, Mr. Cheng Yuk Wo has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Company secretary

Mr. Yim Ming Chung had been appointed as the Company Secretary with effect from 6 March 2016. He has complied with Rule 3.29 of the Listing Rules in relation to the professional training requirements.

Corporate Governance Duties

The Board is responsible for performing the corporate governance duties as set out in the Code Provision D.3.1. During the year ended 31 December 2018, the Board had reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

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Directors' Continuous Professional Development

All Directors are provided with monthly updates on the Company's operation performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. Furthermore, all Directors acknowledge the needs to continue to develop and refresh their knowledge and skills for making contributions to the Company. The table below shows the participation of individual directors in continuous professional development during the year ended 31 December 2018.

	Reading regulatory updates	Attending external seminars/ programmes
Executive Directors:		
Mr. Zhang Xin	✓	✓
Mr. Zhang Ye	✓	✓
Non-executive Directors:		
Ms. Yu Youzhi	✓	✓
Mr. Chen Qianzheng	✓	✓
Mr. Zhou Yuan	✓	✓
Mr. Shen Tao	✓	✓
Independent non-executive Directors:		
Mr. Cheng Yuk Wo	✓	✓
Mr. Fu Tingmei	✓	✓
Mr. Pun Tit Shan	✓	✓

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 held 3 meetings during the year ended 31 December 2018. The composition and the details of the attendance records of members of the Audit Committee are as follows:

Members of Audit Committee	Attendance/Total meetings
Mr. Cheng Yuk Wo (<i>Committee Chairman</i>)*	3/3
Mr. Fu Tingmei*	3/3
Mr. Zhou Yuan^	3/3

- * Independent non-executive Director
^ Non-executive Director

The Company Secretary also attended the meetings. Minutes drafted by the Company Secretary had been circulated to members of the Audit Committee within a reasonable time after the meetings. No member of the Audit Committee is a former partner of the existing auditing firm of the Company.

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The Board has adopted the terms of reference for the Audit Committee, which follow closely the requirements of the code provisions of the CG Code, details of which are published on the Stock Exchange's website and the Company's website.

The Audit Committee's main responsibilities include the following:

- review and supervision of the Group's financial reporting process and completeness of financial reports;
- monitor the effectiveness of the Group's risk management and internal control systems; and
- consider the independence of the external auditor.

During the year ended 31 December 2018, the Audit Committee had performed the following work:

- reviewed with the senior management the accounting policies and practices adopted by the Group and discussed auditing and internal control systems and financial reporting matters;
- reviewed the financial statements of the Company and the Company's interim and annual reports, the letter to the management from the auditor of the Company, the audit scope and fees for the year ended 31 December 2018;
- reviewed continuing connected transactions; and
- met with the external auditor to discuss the general scope of their audit work for the year ended 31 December 2018.

The Audit Committee has also recommended to the Board that, subject to the Shareholders' approval at the forthcoming annual general meeting, Ernst & Young be re-appointed as the Company's external auditor for the year ending 31 December 2019.

The senior management of the Group is required to provide adequate and timely support to the Audit Committee to discharge its duties. The Audit Committee has also been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should the seeking of such advice be considered necessary by the Audit Committee.

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.

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During the year ended 31 December 2018, the Nomination Committee had performed the following work:

- reviewed the structure, size and composition of the Board to ensure that it has a balance of skills, knowledge and experience appropriate to the requirements of the business of the Group;
- made recommendation to the Board for the re-election at the 2018 AGM; and
- assessment of the independence of all the independent non-executive Directors.

Nomination Policy

In assessing the suitability of a proposed candidate as a member of the Board, the Nomination Committee would consider factors including:

- (a) Reputation;
- (b) Skills, knowledge, experience, cultural and educational background, gender, age and other qualities required, with due regard for the benefits of diversity of the Board;
- (c) The extent to which the proposed candidate is likely to contribute to the overall effectiveness of the Board and work constructively with the existing Directors;
- (d) The skills and experience that the proposed candidate brings to the role and how they will enhance the efficiency and performance of the Board as a whole;
- (e) The nature of existing positions served by the proposed candidate including directorships or other relationship with the Company and/or its Directors and impact they may have on his ability to exercise independent judgment; and
- (f) Factors which may affect the proposed candidate's time commitment to the Company.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Board Diversity Policy

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy during the year ended 31 December 2018. The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Pursuant to the board diversity policy, all Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contributions that the selected candidates will bring to the Board.

The Nomination Committee held 1 meeting during the year ended 31 December 2018. The composition and the details of the attendance of the members of the Nomination Committee during the Year are as follows:

Members of Nomination Committee	Attendance/Total meetings
Mr. Zhang Xin (<i>Committee Chairman</i>) [^]	1/1
Mr. Cheng Yuk Wo*	1/1
Mr. Fu Tingmei*	1/1

[^] Executive Director

* Independent non-executive Director

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 the 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 the 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.

During the year ended 31 December 2018, the Remuneration Committee had performed the following work:

- review and discuss the remuneration policy of the Group and the remuneration packages of the Directors and senior management of the Company; and
- made recommendation to the Board on the emolument of the executive Directors, non-executive Directors, independent non-executive Directors and senior management of the Group.

Details of the remuneration of each Director for the year ended 31 December 2018 are set out in Note 8 to the financial statements.

The terms of reference of the Remuneration Committee, which closely follows the requirements of the code provisions of the CG Code, are published on the Stock Exchange's website and the Company's website.

The human resources and administration department of the Company provides administrative support to the Remuneration Committee, and implements the approved remuneration packages and other human resources related decisions.

The Remuneration Committee held 1 meeting during the year ended 31 December 2018. The composition and the details of the attendance of members of the Remuneration Committee during the Year are as follows:

Members of Remuneration Committee	Attendance/Total meetings
Mr. Fu Tingmei (<i>Committee Chairman</i>)*	1/1
Mr. Chen Qianzheng^	1/1
Mr. Pun Tit Shan*	1/1

* Independent non-executive Director

^ Non-executive Director

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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.

During the year ended 31 December 2018, the Risk Management Committee had performed the following work:

- review and discuss the overall risk management framework, and the guidelines, policies and procedures for risk assessment and risk management;
- review and discuss the major risks of the Group such as credit risk and market risk; and
- review the effectiveness of the overall risk management function.

The Risk Management Committee held 2 meetings during the year ended 31 December 2018. The composition and the details of the attendance of the members of the Risk Management Committee during the Year are as follows:

Members of Risk Management Committee	Attendance/Total meetings
Mr. Pun Tit Shan (<i>Committee Chairman</i>) (<i>Note 1</i>)	2/2
Mr. Shen Tao (<i>Note 2</i>)	2/2
Mr. Zhang Ye (<i>Note 3</i>)	2/2

Notes:

1. Independent non-executive Director.
2. Non-executive Director.
3. Executive Director.

ACCOUNTABILITY AND AUDIT

Directors' and Auditor's Acknowledgement

The Audit Committee and the Board have reviewed the Group's consolidated financial statements for the year ended 31 December 2018. The Directors acknowledge their responsibilities for preparing accounts, the financial statements, performance position and prospects of the Group. Management has provided information and explanation to the Board to enable it to make an informed assessment of financial and other information put before the Board for approval. The Directors believed that they have selected suitable accounting policies and applied them consistently, made judgment and estimates that are prudent and reasonable and ensured the financial statements are prepared on a "going concern" basis.

Ernst & Young, the auditor of the Company, acknowledged their reporting responsibilities in the Independent Auditor's Report on the audited financial statements for the year ended 31 December 2018.

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Risk Management and Internal Controls

The Board has the responsibility to maintain appropriate and effective risk management and internal control systems in order to safeguard the interest of the Group and the Shareholders, review and monitor the effectiveness of the internal control and risk management systems on a regular basis to ensure that the systems in place are adequate. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's risk management and internal control systems comprise, among others, the relevant financial, operational and compliance controls and risk management procedures, a well-established organisational structure with clearly defined lines of responsibility and authority. Each department is accountable for its daily operations and is required to implement the business strategies and policies adopted by the Board from time to time.

The internal audit department and the risk management department of the Company supported the Board, the Audit Committee and the Risk Management Committee in reviewing the effectiveness of risk management and internal control systems and performed its functions during the Year following annual plans and submitting their reports of their findings to the Board, the Audit Committee and the Risk Management Committee at the meetings. The Audit Committee and the Risk Management Committee provides independent review on effectiveness of the risk management and internal control systems of the Group and gives their recommendation to the Board. The Board is responsible for reviewing the internal audit report and approving policies and procedures designed by the management.

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group has adopted and implemented an inside information procedure. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include the maintaining of a good control environment with defined organisational structure, limit of authority, reporting lines and responsibilities in accordance with the Company's guidelines and the regulatory requirements. Appropriate control measures have been taken place to facilitate a good control environment for handling and dissemination of inside information. The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.

The Board conducted a review and assessment of the effectiveness of the Group's risk management and internal control systems and procedures during the financial year ended 31 December 2018 by way of discussions with the management of the Group, members of the Audit Committee, members of the Risk Management Committee and the external independent auditor. The Board considered major investigation findings of the external consultant on risk management and internal control matters and management's response to these findings.

The Board believes that the existing risk management and internal control systems are adequate and effective. The Board also reviewed the resources, qualification and experience of staff of the Group's accounting and financial reporting function and their training schemes and budget and was satisfied with their adequacy.

The Board also assessed the effectiveness of the Group's internal audit function and external audit process, and satisfied itself, through the work of its Audit Committee, that the internal audit function is adequately resourced and is effective at providing assurance to the Board on the relevant risks faced by the Company, and that the external audit process is effective.

Furthermore, the Group also implemented the SAP system to enhance the efficiency of the operational process and improving segregation of duties and better internal control system.

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Auditor's Remuneration

An analysis of the remuneration of the Company's auditor, Ernst & Young, for the year ended 31 December 2018 is set out as follows:

Services rendered	Fee paid/payable RMB'000
Audit services	1,950
Non-audit services	800
Total	2,750

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COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of maintaining clear, timely and effective communication with shareholders of the Company and investors; and also recognises the effective communication with investors is the fundamental element to build up the Shareholders' confidence and attract more new investors.

The Company communicates with the Shareholders mainly in the following ways:

- (i) the holding of annual general meeting which provides an opportunity for the Shareholders to communicate directly to the Board;
- (ii) the publication of announcements, annual reports, interim reports and/or circulars of the Company as required under the Listing Rules and press releases providing updated information of the Group;
- (iii) updating the Company's website regularly and disclosure of information on a timely basis via the Company's and the Stock Exchange's website;
- (iv) the holding of face to face meetings or teleconferences with analysts and fund managers from time to time. There is regular dialogue with institutional Shareholders and presentations are made when financial results are announced. Shareholders and investors are welcome to visit the Company's website and raise enquiries through our Investor Relations Department whose contact details are available on the Company's website; and
- (v) Shareholders can contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company, for any enquiries of their shareholdings and dividend entitlements.

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Shareholders' Right

The annual general meeting of the Company which is proposed to be held on Monday, 3 June 2019 (the "2019 AGM") will provide opportunities for the Shareholders to meet and raise questions to our Directors, the management and the external auditor. At the 2019 AGM, the chairperson of the annual general meeting and the chairman/member of each of the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Nomination Committee will be available to answer questions from the Shareholders.

Pursuant to the Articles, the Company should send a notice to the shareholders at least 21 clear days or 14 clear days before the annual general meetings or all other general meetings respectively.

Pursuant to the Articles, any two Shareholders holding not less than one-tenth of the issued Share carrying the right of voting at general meetings may request the Company to convene an extraordinary general meeting by sending a written requisition to the Board or the Company Secretary. The objects of the meeting must be stated in the written requisition.

Shareholder(s) may send written enquiries to the Company for putting forward any enquiries or proposals to the Board. Contact details are as follows:

Address: 33/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong
Fax: (852) 2833 0554

For the avoidance of doubt, Shareholder(s) must deposit and send or fax the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address or fax number and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

During the year ended 31 December 2018, the Company has not made any changes to the Articles. An up-to-date version of the Articles is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles for further details of their rights.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cofco-pack.com) immediately after the relevant general meetings.

Voting by Poll

Pursuant to the Articles, all resolutions will be conducted by poll at the 2019 AGM. The Shareholders will be allowed to have one vote for every Share they hold. The results of the voting by poll will be declared at the meeting and published on the websites of the Stock Exchange and the Company, respectively.

Policy on Payment of Dividends

The Company will declare and/or recommend the payment of dividends to Shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its actual and expected financial performance, its current and future business operation, level of liquidity, capital requirements, contractual and regulatory restrictions and so on. The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon its actual financial performance, its current and future business operation, level of liquidity, capital requirements, contractual and regulatory restrictions of and affecting the Group. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends. The Company would review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

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The Group is committed to becoming a leader in China's comprehensive consumer goods packaging industry and is principally engaged in the production and sales of packaging products used for consumer goods. We endeavour to serve customers, shareholders and employees wholeheartedly while providing safe and green packaging products and high-quality services for the society. In 2018, the Group strictly implemented COFCO's inspection and rectification measures, comprehensively strengthened party-oriented political and systematic construction, and promoted development and performance improvement with party building. The Group has a leading technology R&D institution that led and participated in the formulation of a series of packaging industry standards, has a number of packaging technology patents in China, and has won many international packaging awards. The Group boasts a well-established product quality control system and food hygiene and safety management system, with product quality meeting US and EU standards. We put emphasis on talent development, take concrete actions to care for employees, and safeguard their rights and interests, in an effort to create harmonious labour relations. In addition, the Group focuses on source control, process control and terminal treatment and adopts new technologies, new processes and new materials for energy conservation and emission reduction, in a drive to create social value.

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In 2018, while consolidating its leading industry position in China, the Group actively explored opportunities for overseas expansion, and worked with partners to advance the establishment and preparation of a two-piece can factory in Belgium, marking the first step towards internationalisation. On the basis of increasing performance-based compensation and strengthening the compliance of business expenses, we managed to reduce selling and administrative expenses through continuous rigid control of expenses and benchmarking-based improvements. We also strictly controlled the asset-liability ratio within the target limit through such measures as centralised management of funds and contraction of accounts receivable and inventories. In addition, by optimising our business landscape, increasing economies of scale and building a super product line, we achieved continuous growth in sales revenue in the year with stable profitability.

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I. Employees

(1) Career Growth and Development of Employees

The Group always focuses on talent development and strictly abides by national and local laws and regulations to build harmonious labour relations.

In terms of employee recruitment, the Group has established a sound mechanism with standardised procedures for recruitment, promotion and dismissal based on work performance and in accordance with relevant laws and regulations, strictly complying with the principles of diversity and anti-discrimination and unaffected by race, gender, physical fitness or religious beliefs to make recruitment, promotion and dismissal more scientific, reasonable and effective. The Group has strict policies to prohibit child labour and compulsory labour and all business operations comply with relevant laws and regulations of the PRC, and it also adopts stringent measures and verification procedures to prevent the occurrence of such cases in its business. To its knowledge, the Group has no cases of non-compliance with relevant laws and regulations in terms of recruitment, promotion and dismissal, anti-discrimination, and prevention of child labour and forced labour that had a significant impact on the Group.

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Particulars of employees in 2018

Category		Number	Percentage (%)
By gender	Male	4,522	67%
	Female	2,221	33%
By type	Senior management	685	10%
	Middle management	1,538	23%
	General employees	4,520	67%
By age	Aged under 30	2,173	32%
	Aged 30-50	4,197	62%
	Aged over 50	373	6%

Employee turnover in 2018

Category		Turnover
By gender	Male	22%
	Female	9%
By age	Aged under 30	61%
	Aged 30-50	34%
	Aged over 50	5%

As employees of the Group were all employed in the PRC during 2018, the Company did not classify their particulars and the turnover by region.

The Group regards employees as the foundation for its long-term development. With this mindset, we help them plan career development paths, encourage them to achieve self-improvement during working hours, and stimulate their creativity and vitality to build a diversified team. For career development of employees, we adopt the “dual channel” approach, i.e. the “administrative management channel” and the “professional and technical channel”, and have established a job evaluation and employment mechanism to allow employees to compete for certain management positions and professional and technical positions based on job evaluation regularly, so as to encourage employees to give full play to their strengths. In order to meet the training needs of employees, we organised a total of 5,873 internal training sessions with 5,032 attendees and 18,070 class hours through various means including on-site training, telephone and video conferencing.

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Employee training in 2018

Category		Percentage of employees trained	Number of training hours per employee
By type	Senior management	12%	169
	Middle management	8%	151
	General employees	80%	20

In 2018, based on the existing training system, the Group carried out a variety of training programs in line with its own business characteristics. For HR team building and enhancement of HR functional capabilities, for example, we organised a total of six training sessions for HR system upgrade. In each session, the heads of human resources of branches were arranged to share their experience and know-how on special topics, and the participants were asked to evaluate the sharing sessions. Each session had around 30 participants and the topics covered include “management of new-generation employees”, “improving the stability of front-line employees and those graduating from colleges and technical secondary schools”, “training matrix”, etc. In order to enhance our comprehensive strength in tinsplate production with lean production, we developed production system training sessions to instill high and stringent standards, with an aim to identify gaps and improve weak links. In 2018, we organised four training sessions on production management improvement for 26 trainees. For the technology training of key personnel of the plastic bottle blowing business, we organised two training sessions for key personnel on bottle blowing technology in 2018 to enhance their technical skills and the utilisation rate of equipment.

Theme Series of “Carry Forward the Spirit of Craftsmen and Strive to be Great Craftsmen”



Fourth Training Session on Tinplate Production Management

(2) Employee Protection, Motivation and Care

For salary distribution, the Group adheres to the principle of “making post-specific distribution based on competence and performance and with a balance between fairness and sustainability”. We pay statutory social security contributions for employees in full, allow them to enjoy statutory holidays and leave and other benefits, and make adjustments to their salaries according to government requirements and the actual conditions. In terms of leave, in 2018, the Group improved its leave management policy in a timely manner in accordance with relevant laws and regulations and according to internal conditions by specifying the types of leave and related preconditions, leave approval procedures and leave benefits, thus safeguarding the equal and legal leave rights for male and female employees.

In terms of production safety, the Group strictly and conscientiously implemented and complied with the safety and quality standards stipulated in national, industry and local regulations, and endeavored to improve the production safety management system, strengthen education and training in this regard, and emphasise production safety responsibilities. For example, the Group took CPMC Tianjin as an experimental unit to deepen and improve the dual mechanism of hidden danger screening & treatment and tiered risk management for production safety risks. In order to strengthen on-site safety management and prevent the occurrence of safety accidents, we formulated the Eleven Basic Measures for On-site Safety Management of CPMC to help improve on-site safety management of branches; organised special inspections for safe operation of forklifts with a focus on the safety of forklifts, safety driving training, and examination of key activity areas to eliminate accident risks; and specified directive plans for entities involved in the production of three-piece cans and bottle caps, carried out fire-proof and explosion-proof upgrading of printing and coasting machines to enhance the electric explosion-proof level of workshops housing these machines, so as to reduce the risk of accidents and losses arising from equipment and facilities. There were no quality and safety accidents of Class III or above during the year.



Field Training on Safe Forklift Driving

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In 2018, in order to further enhance the vitality and cohesion of employees, the Group designed a variety of theme activities based on the characteristics of various employee groups from various perspectives to disseminate the values and culture of the Company and spread positive spirits. These activities were designed to encourage employees to love their own duties, dare to fight for the first place, and make contributions, stimulate their vitality, enhance their sense of cohesion, and enrich their life. The activities organised included the fun sports meet with a theme of “Work More Efficiently, Live Happier, and Exercise to be Stronger”, the “Guo Feng” karaoke contest, the 906 walking activity themed “Healthy Life, Happy Work”, the little ones’ visit day, the craftsmanship event, the cake decorating activity named “Romantic Cake Decorating with Youth”, the Dragon Boat Festival event of “Convey Love with Zongzi”, and the Father’s Day series activities. These activities, rich in forms and with different characteristics, created a positive, upbeat and healthy working and living atmosphere.

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“Guo Feng” Sound Karaoke Contest



CPMC's 2018 Little Ones' Visit Day

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In order to guide employees to pursue a healthy and positive lifestyle, enrich their life in spare time, relieve their work pressure, improve their physical and mental fitness, and enable them to work more energetically, the Group organised a diverse of artistic, recreational and fitness activities for employees, such as the yoga training class of “Yoga With U”, the Latin dance training class themed “Sunshine Charm, Dancing Youth Melody”, the “906 Fishing Club”, and the “906 Ping-pong & Badminton Club”.



“Sunshine Charm, Dancing Youth Melody” Dance Training Class



Yoga Training Camp of “Yoga with U” in spring



906 Walking Activity Themed “Healthy Life, Happy Work”

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The Group effectively protects the vital interests of employees and earnestly takes care of their needs. On the Spring Festival and New Year's Day each year, we mobilise the trade unions of various entities to carry out poverty relief activities. In 2018, we made around 300 visits to those employees in need, and offered timely financial support to those in difficulty. For example, the wife of an employee of CPMC Kunshan suffered from acute myeloid leukemia, and the high cost of hospitalisation became a heavy burden on the employee's family. After learning about the situation, the party branch of CPMC Kunshan worked with the trade union to organise a charity fundraising campaign among all employees. Moreover, CPMC Kunshan offered the family spiritual support and a sum of consolation money as financial support to help them through the difficult times in life.

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(3) Employee Communication

In 2018, the Group continued to carry out and deepen the party's public education activities. While getting deeper into the grassroots to carry forward the "culture of loyalty and decency", we devoted more effort in communicating with employees, listening to their feedback, and addressing their needs. For example, we continued to upgrade our corporate intranet, post updates on our operations in a timely manner and create a diversified communication platform, while setting up a whistle-blowing channel to collect opinions and reports from employees and reinforcing communication and feedback of information. To sincerely listen to our employees and help them solve their difficulties, we hosted a variety of talks including face-to-face communication with excellent managers, talks with new employees, talks with old employees, meal planning committee forums, party member forums and technician forums. Through "heart-to-heart and face-to-face" exchanges, we bridged the gap between the management and the grassroots employees. After listening to the voices of employees, we helped solve their confusions in work and life and made targeted improvements. Before issuing any measures and rules relevant to the interests of employees, we would hold an employee representative assembly to openly solicit and collect opinions and suggestions from employees in order to better serve them.



"906 Youth Growth Classroom" Event on May Fourth Youth Day

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II. Independent Innovation, Energy Conservation and Environmental Protection

(I) Independent Innovation

1. Construction of Innovation Culture

Under the spirit of “working hard and forging ahead with technological innovation as the core competitiveness of CPMC”, the Group has integrated R&D innovation into all aspects of its technology development. Each year, a technological innovation conference is held to summarise the innovation work of the previous year and envision the next milestone in technology development. At the conference, the Group shares and promotes the fruitful achievements in technology innovation and vows to improve technology management in an all-round manner to better promote technological progress and add new impetus to its development. By offering rewards for technology innovation projects, dissecting scientific papers and giving honorary awards for outstanding papers, the Group inspires technical personnel to forge ahead with technology innovation, so as to enhance the Group’s technological innovation capabilities and consolidate its dominant position in this regard.

Meanwhile, the Group proactively promotes a culture of innovation with its own characteristics. The Group has developed a technical section in its intranet portal and regularly updates its professional sub-sections such as Technology Frontier, Food Safety, Project Management, Inspection and Testing, Intellectual Property and Shelf Life, making the section a technology innovation publication platform for internal technicians. To further promote technology innovation ideas, each quarter, we release the Technology News of CPMC to disseminate the latest developments of the industry in five major aspects, i.e. patent search, industry trends, innovative products, packaging safety and industry statistics, with a view to helping technicians broaden their ideas and start technical discussions and providing them with a source of creativity.

In order to strengthen technological competitiveness and protect inventions and creations, the Group encourages technicians to apply for patent protection of the inventions derived from their R&D and innovation activities. After years of hard work and accumulation, the Group has maintained a leading position in patents, demonstrating its technical strength and innovation capabilities. In 2018, in order to further stimulate and inspire the innovation enthusiasm of technicians, the Group offered rewards to contributors of patents that are highly valuable and have yielded great benefits for the Company. A series of measures have further strengthened the Group’s construction of independent innovation culture and encouraged internal technicians to devote more enthusiasm to R&D and innovation activities.

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2. Management of Innovation Projects and Technology R&D Projects

(1) Innovation Projects

In 2018, the Group further improved and standardised the management processes of its packaging R&D projects under its R&D innovation system pursuant to the Management Measures for the R&D Innovation System of COFCO and the Management Measures of CPMC for Technology Innovation. In 2018, we carried out more than 20 R&D innovation projects, including the development of Haitian 33 anti-slide cap product, the innovative optimisation of SCHULER's cup punching machine feeding system, the development of real-time detection system of flat edge trimmers, Nanning Canmaking's innovation in speed-up single color printing technology, the development of new high-safety inner coating technology for aluminum bottles, the research of technology based on aluminum bottle necking processing, the research and application of optical composite technology in metal printing, and the development of packaging rapid prototyping technology platform. The R&D innovation projects covered such areas as material and energy saving, new product development and food safety, and were under full life-cycle management. Most of the projects were going well and had yielded good economic and social benefits.

(2) Technology R&D Projects

The Group's key R&D innovation projects in 2018 included the composite anti-counterfeiting printing technology R&D project: The principle of lens and a variety of composite printing technologies are used to print a variety of special effects such as water cubes, fireworks, and honeycombs on metal printing surfaces, thus making the products more differentiated and high-end. In 2018, the technology was employed to complete the production of three batches of Huamei Mooncake boxes which were well-received by the client. Also, the gross margin increased by 3.5 percentage points. As of now, our clients Xiamen Tea, Enfamil and Lanju have decided to use products based on such technology, which will bring great economic benefits. As the first to develop and apply metal composite anti-counterfeiting printing technology, the Group won the first prize in 2018 for metal packaging among technological innovation products in the packaging and printing industry, signaling its strong technical support for new clients/new product development.

Haitian 33 anti-slide cap product development project: The 33 anti-slide cap is a new high-end claw-type unscrewing cap product, which is difficult to realise technically. As such, the Group set up a multi-department development team to work closely with the glass bottle factory and Haitian. After more than one year's efforts, we overcome several technical difficulties, successfully completed the project development task and put it into mass production, which has been highly appreciated by the client Haitian. In the year, approximately 160 million 33 anti-slide caps were sold, generating a revenue of over RMB3 million.

Chengdu Canmaking's project for optimisation of SCHULER's cup punching machine feeding system: Through the innovative design and optimisation of SCHULER's cup punching machine feeding system, we improved SCHULER's cupping efficiency and production capacity by more than 45%, thus meeting the production efficiency demand for 1600CPM or higher across the production line. Such technology is worth promoting and has remarkable environmental benefits.

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LED-UV printing technology research and application project: LED-UV is a new generation of UV curing technology and an upgraded version of UV curing, which is more energy-saving and environment-friendly and represents the development direction of metal printing. After a lot of laboratory tests and analyses, we determined the properties of the materials, LED-UV light sources and lamp configuration, and realised mass production of LED-UV printing for the first time in Panyu. The final product met food safety and environmental standards and the performance requirements. We have formulated relevant operational specifications to prepare for the promotion and application of such packaging product. The implementation of this project will realise zero VOC and ozone emissions and save more than 50% of electricity. In the future, after being popularised and applied in various business lines, it will further transform and upgrade CPMC's metal packaging printing process, making the process more energy-saving and environment-friendly.

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(3) Patents and Formulation of National and Industry Standards

The Group vigorously promotes the protection of intellectual property rights. In 2018, we applied for 25 patents (six inventions) and obtained 19 patents (one invention). As of now, we have been granted 269 patents, including 55 invention patents, and have developed a mechanism for verification of patent papers and other intellectual property rights.

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In 2018, the Group presided over or participated in the review and revision of four sets of national and industry standards covering two-piece cans, milk powder cans and metal printing, which have been submitted to relevant state departments for approval. Our application for "National Metal Printing Standardisation Research and Development Test Base" has been approved by the National Technical Committee 170 on Printing of Standardisation Administration of China and will be implemented upon the approval of the State Administration of Press, Publication, Radio, Film and Television. In addition, we helped formulate a metal printing standards system and a three-year plan for implementation of industry standards on behalf of the metal packaging industry, presided over the preparation of ISO standards for aerosol cans, and participated in the work related to standards for easy peelable ends.

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(II) Energy Conservation and Environmental Protection

1. Environmental Management

In 2018, the Group formulated and issued the Environmental Management Measures of CPMC in accordance with newly promulgated Environmental Protection Law and other relevant laws and regulations as well as COFCO's requirement to further standardise its environmental management system and systematically manage environmental protection work. According to the actual situation, we also formulated the Work Plan of CPMC for Comprehensively Screening and Controlling Ecological Environment Protection Problems and organised group-wide risk screening. In 2018, we inspected 29 branches to screen ecological environment protection problems and rectified the hidden dangers found.

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The Group achieved good social benefits through technological innovation in key aspects of energy conservation and emission reduction, application of new energy-saving technologies and ongoing implementation of energy-saving projects. In 2018, the Group implemented 38 energy conservation and environmental protection projects, including R&D innovation projects on material saving, energy saving, UV printing and automation technologies. Its total power consumption was approximately 140.19 million kWh, representing a power saving of 2.08 million kWh; total gas consumption was approximately 19.35 million m³, representing a saving of 900,000 m³. The Group attaches great importance to conservation and efficiency use of water through formulating administrative measures on energy conservation and emissions reduction, as well as conducting monthly checks on the water usage of various factories by benchmarking. Through energy conservation and emissions reduction directives, projects such as water conservation related to can-washing machines for two-piece cans and Kunshan Barrel's use of recycled grey water and phosphate-free phosphating treatment, water usage can be lowered. The Group has not experienced any problems or difficulties in securing suitable water sources; and total water consumption was approximately 1.24 million tonnes, representing a saving of 16,000 tonnes. The total carbon dioxide emissions of the Group amounted to 314,000 tonnes, and in total, we reduced more than 10,000 tonnes of carbon dioxide emissions. The key projects achieved great results. For example, CPMC Panyu completed the project for energy-saving renovation of its printing factory's drying room, which can save 405,000 m³ of natural gas per year; CPMC Tianjin's project for energy-saving renovation project of can-washing machines can save 60,000 kWh of electricity per year. Our branches Guangzhou Steel Barrels, Shandong Steel Barrels, Jiaying Steel Barrels, Fujian Canmaking, Epoch Packaging and Chengdu Canmaking have all obtained ISO14001 Environmental Management System Certification.

2. Environmental Protection Practices

In 2018, all branches of the Group effectively controlled the source, production process and treatment of waste gas, waste water and solid waste. Hazardous waste was handed over to qualified third-party agencies for disposal in strict accordance with the requirements of the state. Meanwhile, we carried out benchmarking management among the product lines of branches to reduce the generation of hazardous waste and the impact on the surroundings and natural resources. In 2018, with a focus on temporary storage of hazardous waste in Fujian, Jiaying and Guangzhou, we further standardised the procedures for temporary storage of hazardous waste and improved their effectiveness, in an effort to implement corporate social responsibility. The Group consumes natural gas, electricity and water, and produces waste gas, wastewater, and solid waste during its production process. To reduce the impact on the environment and natural resources, effective administrative measures have been formulated and adopted. Firstly, the Administrative Regulations of CPMC on Environmental Protection (Trial) and administrative measures on energy conservation and emissions reduction have been formulated in accordance with the requirements of relevant laws and regulations and COFCO's Administrative Regulations of COFCO on Energy Conservation and Environmental Protection by taking into consideration the actual circumstances of CPMC, so as to stipulate and regulate environmental protection administration for new projects, emission control of pollutants, prevention and treatment of pollution and environmental enhancement. Secondly, indicators for consumption reduction have been incorporated into the annual letter of responsibility undertakings and the energy consumption of each factory will be assessed on a monthly basis by benchmarking, and energy conservation and emissions reduction projects have been implemented to reduce energy consumption. Meanwhile, treatment facilities for wastewater and waste gas have been set up to treat the waste gas and wastewater produced in the production process to ensure reliable and effective operation, and that emissions can meet the required standards. Recycling and disposal of general solid waste and construction waste must be handled by relevant municipally accredited units; and hazardous waste produced in the production process must be collected by qualified units for disposal. Moreover, raw and ancillary materials as well as procedures

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and production have been enhanced to reduce the generation of pollutants. We promote clean production to eliminate or reduce pollutants in the production process. We also enforce national provisions and policies for comprehensive use, and carry out comprehensive use of the three types of wastes across the board, turning scraps into useful materials and wastes into precious materials.

(1) Our non-hazardous waste mainly includes scrap aluminum and scrap iron, which are disposed of by recycling. In 2018, the Group recycled 15,739 tonnes of scrap aluminum and 30,689 tonnes of scrap iron.

(2) Our hazardous waste mainly includes wastewater, waste liquid and waste gas.

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Wastewater treatment: The amount of wastewater produced by the Group in 2018 was 1,240,000 tonnes. Wastewater is treated up to standard in sewage treatment stations and subject to online testing before being discharged through pipes. In 2018, we completed the diversion of rain and sewage in Kunshan and Hangzhou.

Waste liquid treatment: The amount of liquid waste produced by the Group in 2018 was 662 tonnes. Third-party agencies on the qualified list maintained by the environmental protection authorities are selected and engaged to dispose of waste liquid, with the “five-in-one form” being issued for government supervision.

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Waste gas treatment: The amount of waste gas produced by the Group in 2018 was 5,356,000 tonnes. Catalytic combustion, regenerative combustion and activated carbon adsorption and desorption devices are used to treat waste gas for up-to-standard and reduced emissions. During the year, almost all waste gases from the steel barrel production line were treated, while the tinplate production line had its main waste gases treated; six factories completed waste gas treatment for the two-piece can production line; and three factories completed waste gas treatment for the plastic production line.

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The emissions of the Group mainly comprise VOCs. In 2018, emissions of VOCs, SO₂ and NO_x amounted to 1,204 tonnes, 20.7 tonnes and 36.8 tonnes respectively. In 2018, in terms of emission reduction, the Group focused on minimising VOC emissions generated in the production process and achieved initial success in this regard while ensuring that its exhaust gas emissions meet national standards.

After analysing the trends of material technology development and environmental protection, the Group vigorously pushed ahead with the application of LED/UV/water-based material/film coating technologies to reduce VOC emissions from the source and lay a foundation for future emission reduction. As a result, we reduced VOC emissions by 270 tonnes in total.

Meanwhile, on the basis of meeting VOC emission standards, our branches effectively controlled their total VOC emissions. In 2018, the mandatory project for back-end exhaust gas treatment was advanced with a total annual investment of over RMB23.4 million. As a result, the RTO projects of CPMC Wuhan, CPMC Hangzhou and CPMC Chengdu were completed, attaining a VOC removal rate of over 95% and reducing VOC emissions by over 1,000 tonnes.

In addition, all branches of the Group made great efforts to live up to their commitment to environmental protection. In particular, Nanning CPMC Canmaking Co., Ltd. was awarded the title of “Advanced Unit in Production Safety Management” by the Guangxi ASEAN Economic and Technological Development Zone; CPMC Wuxi received the title of “Excellent Unit in Production Safety Responsibility Assessment of Wuxi”; CPMC Hangzhou’s waste gas treatment project for one-piece cans received a government subsidy of RMB333,000.

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III. Social Welfare

The Group is committed to passing on the torch of love in society. To this end, we actively carry out public welfare activities to promote harmonious development of society and mutual love. In 2018, the Group energetically promoted social prosperity and stability and performed its social responsibility in areas such as community building, poverty alleviation and volunteer services.

For example, on June 13, Nanning Canmaking organised its staff to make charity donations to the poor primary school in Qingfeng Village of Luowei Town on a voluntary basis, and to learn about the students’ difficulties in life and study.



Nanning Canmaking organised education donation & poverty alleviation activity among party members

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On 26 July 2018, the Group mobilised personnel in Hangzhou to participate in the voluntary blood donation activity of “Giving my Blood for July 1” organised by the Xiasha Development Zone, which demonstrated our social spirit as packaging personnel and won the recognition of relevant authorities of the development zone.

On 28 September 2018, the Chairman of the Group, on behalf of CPMC, donated more than RMB682,000 to Ganzi Tibetan Autonomous Prefecture for dropout rate reduction and education poverty alleviation. As a result, kitchen facilities and equipment for 13 schools and 640 sets of washing tools for students were purchased, reflecting the fulfilment of the Group’s responsibility in targeted poverty alleviation as a state-owned enterprise.

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CPMC assisted Ganzi of Sichuan in targeted poverty alleviation

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On 28 October 2018, the Group mobilised young employees to participate in the 2018 Charity Walk themed “Walking with Love” in Hangzhou organised by the One Foundation and Coca Cola. This charity event was to raise donations for the One Foundation’s initiatives including Water Purification Program, Warm Bag, One Paradise, Hand Washing Program and Children’s Safety Program.

On 28 October 2018, we organised employees to participate in the volunteer activities for the 2018 Hangzhou International Women’s Marathon. During the marathon, our participating employees helped organising and guiding audience and patiently gave directions to audience to ensure the safety of the track. The experience was helpful for the Group to prepare to provide volunteer services in the Asian Games in the future.

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IV. Supply Chain Management

The Group not only lives up to its corporate social responsibility, but also values and promotes the improvement of corporate social responsibility performance of suppliers. Currently, the Group’s major supply partners include Baosteel, Shougang, Nanshan Aluminum, Chalco, Sinopec and CSPC. We selectively partner with suppliers that meet product quality and safety standards and honour their corporate social responsibility, and guide suppliers to improve their product quality and safety and corporate social responsibility performance.

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(1) Working With Suppliers to Build a “Product Quality and Safety Network”

We strictly control product quality and safety through classified management of our suppliers. We have developed a rigorous supplier quality management system with a complete set of measures and standards covering the selection, admission, day-to-day management, and continuous improvement and exit of suppliers and materials. We strengthen the inspection and verification of raw materials, carry out on-site audit and assessment of suppliers, organise exchanges regarding technical quality, convene supplier quality and safety meetings and reward excellent suppliers, with a view to improving the quality and safety awareness of suppliers and their management and encouraging them to make continuous improvements. As a result, raw material qualification rate has been steadily on the rise.

We work together with our suppliers to advance the control of food safety risks and constantly improve our food safety capabilities. We have signed technical agreements with our suppliers containing food safety provisions to effectively communicate food safety commitments and statements throughout the supply chain. We motivate suppliers to enhance their food safety control and traceability management by adding devices for online monitoring of suppliers to strengthen production process control, increasing laboratory investment to enhance inspection capabilities and regularly engaging authoritative agencies to perform third-party testing, so as to guarantee zero food safety incident and zero major quality incident. In addition, we work with key suppliers to develop materials with higher food safety standards, with a view to enabling CPMC to take the lead in using materials with higher food safety standards and improving overall food safety in the industry.

(2) Working Hard to Build a “Green Supply Chain” and Promoting “Emission Reduction” of the Industry Chain

In terms of production process, we work with our upstream suppliers to reduce raw material consumption by thinning materials, increasing the use of coil and corrugated materials. We are at the forefront of the industry in aluminum thinning.

In terms of emission reduction, we collaborate with our upstream suppliers to reduce VOC emissions by expanding the use of coated iron and other environment-friendly coatings such as UV and water-based coating. In 2018, we further increased the proportion of environment-friendly coatings.

In terms of recycling of materials, we increase the recycling of packaging materials and reduce the consumption of packaging materials by replacing wood pallets with plastic ones and replacing corrugated lining paper with plastic lining paper. In 2018, plastic pallets accounted for more than 60% of the total, while the proportion of plastic lining paper increased to approximately 40%. The recovery rate of wood pallets was more than 80%, while that of plastic pallets and plastic lining paper was more than 95%.

In terms of waste recycling, we cooperate with our upstream suppliers to promote the reuse of metal waste through equipment and technology upgrade. In 2018, our supplier Nanshan Aluminum recycled approximately 2,700 tonnes of scrap aluminum.

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(3) Working with Suppliers to Build a “Transparent Supply Chain”

Internally, we work to build a transparent procurement model centering on strategic procurement under collective decision making, tendering and online procurement. We also strengthen the monitoring of the practices of procurement personnel through regular internal and external audits. In 2018, we launched a special campaign against hidden corruption activities throughout the supply chain system, intensified anti-corruption efforts, and strengthened professional ethics education for procurement personnel.

Externally, we advocate “good-faith transactions” and give preference to suppliers with good social responsibility performance when selecting suppliers. We sign a “Sunshine Agreement” with each of our suppliers, shippers and scrap buyers to guide our suppliers and partners to comply with social responsibility standards and adhere to sustainable development, while issuing the “No Gift Notice” on a regular basis and building a whistle-blowing platform.

V. Product Responsibility

Adhering to the customer-oriented philosophy and based on the quality and food safety principles of “commitment by every employee, assurance in every step, reliability of every product and satisfaction of every customer”, the Group practices its corporate culture of “full dedication to best customer service” and follows the code of conduct of “welcome feedback; immediate response, success in one go; no excuse”. In 2018, while improving the customer complaint handling mechanism and implementing the work concerning the compliance with the new national standards for food safety, we continued to conduct customer satisfaction surveys, MSA benchmarking and Quality Month campaigns, and carried out various quality improvement activities including benchmarking management, project quality improvement, prevention and correction of typical defects, and One Lesson for One Solution. We also provided value-added services such as new product development, mold making and technical support to our customers through technology innovation and development of new products and technologies, so as to continuously enhance customer satisfaction and loyalty.

(1) Improving the Customer Complaint Handling Mechanism and Product Quality

In 2018, the Group further optimised such measures as the Customer Complaints Management Measures and Customer Service Management Procedures.

In order to respond quickly to customer needs, the Group has set up a customer service department with customer service personnel in each grassroots unit, set up customer service personnel for the manufacturing departments of various product lines such as two-piece cans, and established the Quality and Safety Management Department at the headquarters to comprehensively and systematically identify the needs of customers, provide technical services, handle complaints, analyse data, take corrective and preventive measures and make continuous improvements. For key customers, a special service team consisting of sales, technology, production, quality and other personnel is set up to provide one-on-one special services in respect of product technology and quality improvement. Regarding the critical issues complained by customers, difficult quality issues and key process issues, in 2018, the Group conducted 28 production quality benchmarking projects through monitoring of KPIs such as CDK and capacity analysis, tackled 16 quality issues, enhanced the capacity of 21 key processes, prevented and corrected 42 typical defects, and make more than 460 improvements under One Lesson for One Solution, thereby improving product quality and reducing quality defects and customer complaints.

The loss rate caused by customer complaints in recent years has been controlled below 0.1%.

(2) Customer Satisfaction Survey

Focusing on the measurement of customer satisfaction, the Group has established and continuously optimises its customer satisfaction evaluation program. Targeting at different customer groups, we design different questionnaires to comprehensively collect and analyse user feedback and comments in multiple dimensions such as quality, delivery, transportation and services through various channels including satisfaction surveys, customer visits, business loss analyses and product delivery performance evaluation. Each year, the Group conducts surveys and analyses on customer satisfaction to compile a customer satisfaction survey report which serves as the basis for planning and improving the quality system.

In recent years, the level of customer satisfaction of the Group has remained high in the industry. Taking Hangzhou CPMC Canmaking Co. Ltd. as an example, its customer satisfaction rate remained above 90% in the past three years. The Group's brand awareness, corporate image, product quality and market profile have far-reaching influence on our customers, and the Group has been recognised and highly praised by many well-known enterprises at home and abroad in recent years.

(3) Food Safety Control of Packaging Products

With the release and coming into force of the new Food Safety Law and the National Food Safety Standards – General Safety Requirements for Food Contact Materials and Articles, the Group, in accordance with the latest laws and regulations and standards at home and abroad and according to COFCO's requirements and its own conditions, timely revised such measures as the Food Safety Management Measures and the Work Requirements for Food Safety Supervision and Inspection of Packaging Products, and carried out the work concerning the compliance with the new national food safety standards. We urged our suppliers and their upstream suppliers, our branches and customers to abide by the new national food safety standards for food contact materials. Through a variety of specialised training sessions and exchanges, as well as comprehensive, systematic and stringent compliance inspections, the Group required all upstream and downstream players along its supply chain to provide food safety compliance statements, thus honouring our corporate social responsibility.

In order to ensure the food safety of raw materials, the Group conducts food safety management from the source by refining the approval procedures for food-safety-related suppliers and raw materials, standardising the raw material inspection procedures, conducting supplier qualification reviews and on-site audits, and introducing the red and yellow cards system for supplier management.

The Group implements a food safety risk control program for each product line and monitors the key control points in real time to prevent food safety problems. We adhere to a three-level verification mechanism. Each branch conducts random inspection of raw materials and products on a batch-by-batch basis and sends samples to a third-party agency for inspection and verification on a regular basis. The headquarters conducts random inspection of products to check food safety indicators on a monthly basis. We also regularly organise our branches, key customers, third-party agencies and the experimental center to conduct laboratory comparison and verification, so as to ensure product safety and compliance.

We continuously carry out supplier audits, cross inspections among branches, flight inspections by the headquarters and product traceability drills, organise annual evaluation exchanges and technical cooperation with major suppliers, branches and key customers, and develop and apply new high-safety materials and new technologies, so as to improve food safety and reliability across the upstream and downstream packaging industry chain while realising full-process compliance, monitoring and traceability of packaging products.

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In 2018, the Group had no food safety incidents and received no customer complaints about food safety. The Group's products involved in the spot checks by the State Administration of Market Regulation and local authorities in 2018 were 100% qualified. Moreover, 100% of the Group's products involved in internal and external inspections were qualified.

(4) Cases of Recognitions from Customers for Providing Satisfactory Services

In 2018, by virtue of its reliable quality and satisfactory services, CPMC won the annual "Quality Control Award", "Excellent Supplier Award", "Excellent Service Award" and "Excellent Partner" from our key customers Unilever, By-Health, Lanju and Tiandiyihao, respectively.

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(5) Advertising, Labeling and Privacy Matters Relating to Products and Services Provided and Methods of Redress

The Group has obtained the printing business license and the commodity barcode printing qualification certificate in accordance with the requirements of the Regulations on the Administration of Printing Industry and the Measures for the Administration of Commodity Barcodes, and is engaged in printing business activities within the permitted scope of business in the license. The Group has established and maintained an internal control system in accordance with the Administrative Regulations on the Undertaking of Presswork Printing, the Measures for the Administration of Commodity Barcodes, the Trademark Law and other relevant laws and regulations. For instance, the Group has formulated the Sales Contract Control Procedures, pursuant to which the proof of the qualifications of an entrusting party, including its registered trademarks and product barcodes, shall be collected and reviewed before accepting any printing orders/contracts therefrom; the Group has also established the Pre-press Control Procedures, which requires re-verification and double-check of the entrusting party's registered trademarks, product barcodes and other qualification proof to ensure compliance before printing the printed matter.

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In accordance with relevant laws and regulations, national standards and COFCO's requirements and according to its own situation, the Group has formulated the Technical Specifications of CPMC for the Construction of Traceability System and the Management Measures for Product Recalls to guide all branches and product lines through the construction of a tracing system. In addition, we constantly improve the product traceability and shorten the traceback time through the construction of information platforms such as the SAP\SPC\QMS\OA\barcode management systems. The headquarters regularly organises branches to conduct product recall and traceability drills to test the rationality and effectiveness of the product recall control procedures. In the event of a product quality failure that requires a recall, the Group will immediately investigate the range of products involved, recycle the batches of products concerned, study the reasons for the failure, formulate and implement corrective measures, and verify and follow up the improvement results.

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In 2018, the Group complied with laws and regulations of the PRC regarding product quality and safety as well as advertising and labelling, and did not have any recalls due to product quality or advertising and labelling problems.

VI. Anti-corruption

As a subsidiary of COFCO, the Group strictly abide by the PRC laws and regulations as well as the anti-corruption-related rules and regulations stipulated by the SASAC Discipline Inspection Committee and the Discipline Inspection Team of COFCO to effectively advance the construction of party conduct and integrity and prevent bribery, extortion, fraud, money laundering and corruption. The Group has set up a discipline inspection committee to be responsible for the discipline inspection and supervision of the Group, and subordinate enterprises have discipline inspection commissioners in place to be in charge of their discipline inspection and supervision work. In 2018, the Party Work Department and the Supervision Department of the Group merged into the Party and Mass Supervision Department which serves as a level-1 functional department to implement the work requirements of the party committee and the disciplinary committee on party and corporate governance and advance the specific discipline inspection and supervision tasks of the Company. The Group has set up and published whistle-blowing channels including mailbox, hotline and email to encourage employees and any third parties to report, in a confidential manner, any violations of laws and regulations in connection with the Group's business activities. The Group will carry out investigations in accordance with relevant procedures. In the case of violation of discipline and laws, the Group will, after verification of the violation, impose disciplinary sanctions and demand compensation for economic losses in light of the seriousness of the case. If the violation constitutes a crime, the case will be handed over to the judicial authority according to law for criminal justice.

In 2018, the Group achieved good results in implementing the responsibility system for clean and honest administration, observing the CPC Central Committee's Eight-point Regulation, carrying out inspections and rectification and the three major special campaigns, increasing supervision and integrity awareness, and strengthening the construction of discipline inspection team. In 2018, the Group was not involved in any corruption cases and litigations.

(1) Implementing the Responsibility System for Clean and Honest Administration under the Leadership of the Party Committee and the Supervision of the Disciplinary Committee

Guided by Xi Jinping's socialism with Chinese characteristics in the new era and the spirit of the 19th National Congress of the CPC, the party committee of the Group is keenly aware of the urgency of strict party governance and arranged the primary organisations of the party to sign party building responsibility statement and clean administration responsibility statement for the implementation of the two responsibilities. We continuously enhanced the awareness of responsibility and unexpected hardship in the construction of clean administration and anti-corruption battle, further clarified the leading responsibility of the party committee, and established and improved the relevant work procedures and guarantee mechanism to realise "one post with two responsibilities". We promoted the performance of the disciplinary committee's supervisory responsibility with rule of law thinking and methods, stressed its supervisory role, constantly improved its supervision ability, enhanced its independence and authority in the construction of clean and honest administration, and flexibly applied the four norms of supervision and discipline enforcement.

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(2) Deepening the Implementation of the Spirit of the CPC Central Committee's Eight-point Regulation

We stepped up our study, understanding and comprehension of the CPC Central Committee's Eight-point Regulation, continued to better understand and implement the essence and spirit of the Eight-point Regulation, timely organised personnel to study the newly revised Management Measures for Performance-based Compensation and Business Expenses of the Company, and carried out special supervision and inspections. We strictly implemented the supervision and inspection reporting mechanism accordingly to the requirements of superiors, issued notices and reminders prior to holidays through the Intranet, email and WeChat to warn against rule-breaking behaviour such as banquets and gift giving at public expenses, private use of public vehicles, excessive bonuses and allowances, and submitted supervision and inspection reports after holidays in a timely manner.

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(3) Inspection and Rectification and Three Special Campaigns

In 2018, under the arrangement of the Central Inspection Work Leading Group, the 13th Inspection Team of the CPC Central Committee conducted a special inspection of COFCO. The Group carried out a series of self-inspection and self-correction measures in accordance with the "six requirements" of COFCO. We deepened the rectification measures, improved the relevant rules and measures, and held relevant personnel accountable. Following the inspection, we carried out three special campaigns, i.e. the rectification of hidden and disguised acts of corruption, the self-examination and self-correction of the Wang Xiaolin case, and the correction of personnel selection and recruitment. Particularly, in the rectification of hidden and disguised acts of corruption, we screened out 20 types of corruption risk points and 11 forms of hidden and disguised corruption problems. The functional departments concerned deeply analysed the reasons behind such problems, the loopholes in the system and institutional deficiencies, and put forward a number of long-term rectification measures to strengthen prevention and control of corruption in a targeted manner.

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(4) Strengthening Supervision and the Awareness of Integrity

To strengthen external supervision, we regularly sent the “No Gift Notice” to suppliers, shippers, purchasers and construction contractors in the name of the Company, reiterated to them the “Sunshine Agreement” and specified the whistle-blowing channels. We established and improved the internal mechanism for joint supervision of the business management department, finance department, audit department and supervision department. In 2018, the audit department worked with multiple departments to complete the audit of construction projects and special audits of sales and administrative management. In 2018, the Group reviewed and revised the “Integrity Risk Prevention and Control Manual”, regularly issued warning bulletins, and carried out integrity education in various business units and supply chain systems. The Group conducted 24 talks and 4 training sessions on integrity for the managers of the party committee, organised managers to take integrity knowledge tests, and required managers to sign a letter of commitment to self-examination of integrity. Through the talks, training, tests and self-examination, we strengthened the managers’ awareness of integrity.

(5) Strengthening the Construction of Discipline Inspection Team

In 2018, in accordance with the requirements for the appointment of discipline inspection personnel, we implemented strict criteria for such appointment, re-screened the discipline inspection cadres of the Group and set up a special discipline inspection team. The Party and Mass Supervision Department formulated a list of discipline inspection and supervision work duties, clarified the division of responsibilities, and required the discipline inspection team to strengthen their awareness of confidentiality and strictly perform their duties in supervision, discipline enforcement, and accountability. The disciplinary committee of the Group held a series of meetings including a forum for discipline inspection cadres, a training meeting for discipline inspection cadres and a meeting for the promotion of party-mass supervision to provide professional training and guidance to discipline inspection cadres and strengthen the political, policy and professional construction of the team.

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EXECUTIVE DIRECTORS



ZHANG Xin

ZHANG Xin, aged 56, is an executive Director and the chairman of the Board. Mr. Zhang is primarily responsible for the overall management, major decision-making, strategic planning and business development of the Group. Mr. Zhang joined the Group in January 1995, and was appointed as an executive Director and the Chairman of the Board on 23 June 2008 and 23 March 2015, respectively. He has over 20 years of experience in the packaging industry. Mr. Zhang has been the vice president of the China Packaging Federation since November 2011. Mr. Zhang received a bachelor's degree in Aeronautical Machinery Processing from Nanchang Institute of Aeronautical Technology (now known as Nanchang Hangkong University) in 1983 and a master's degree in Business Administration from the University of Southeastern China in 2002. In 2005, Mr. Zhang was awarded the Governmental Special Allowance by the State Council of the PRC for his outstanding contributions to the development of engineering technology in the PRC. He is a senior engineer.



ZHANG Ye

ZHANG Ye, aged 45, is an executive Director and the General Manager. Mr. Zhang is primary responsible for the daily operation and management of the Group. Mr. Zhang joined the Group in April 1995, and had served as sales manager, sales director, general manager of the subsidiaries of the Company, assistant to the General Manager, deputy General Manager, etc. He also served as the chief legal consultant of the Group concurrently during the period from July 2011 to January 2016. He was appointed as an executive Director and a general manager of the Company on 22 December 2016 and 19 July 2016 respectively and currently serves as directors of certain subsidiaries of the Company. He has over 20 years of experience in the packaging industry. Mr. Zhang obtained an associate degree in physics from Shanghai Fudan University (上海復旦大學) in 1995, and obtained a bachelor degree in business management from the Continuing Education School of Shanghai Fudan University (上海復旦大學成人教育學院) in 1999.

NON-EXECUTIVE DIRECTORS



YU Youzhi

YU Youzhi, aged 55, is a non-executive Director. Ms. Yu was appointed as a non-executive Director on 15 August 2017. Ms. Yu had served as the deputy director of communist party committee office of China Foods Import and Export (Group) Co., Ltd. (中國糧油食品進出口(集團)有限公司) (currently known as COFCO Corporation) from April 2003 to April 2006, and as the director of the communist party committee office of China Foods (Group) Co., Ltd. (中國糧油食品(集團)有限公司) (currently known as COFCO Corporation) from April 2006 to December 2008. She had also served as the deputy minister as well as the director of the labour union office of the communist party office (corporate culture department), and the vice chairman of the labour union of COFCO Corporation from 2008 to 2016. Ms. Yu received a bachelor degree in philosophy from Wuhan University in 1985.

Directors and Senior Management Profile



CHEN Qianzheng

CHEN Qianzheng, aged 55, is a non-executive Director. Mr. Chen was appointed as a non-executive Director on 22 December 2016. Mr. Chen had served as a manager, assistant to general manager, deputy general manager and general manager successively at Wuhan COFCO Import and Export Co., Ltd. (武漢中糧進出口公司), a wholly owned subsidiary of China Foods Import and Export (Group) Co., Ltd. (中國糧油食品進出口(集團)有限公司)(currently known as COFCO Corporation), from Feb 1987 to May 2006. From May 2006 to July 2008, Mr. Chen worked at China Foods (Group) Co., Ltd. (中國糧油食品(集團)有限公司) (currently known as COFCO Corporation) as a general manager of its meat department. He was the deputy general manager and also serves as the general manager of the marking department, the general manager of the trading department and the deputy general manager of cold chain logistics department of COFCO Meat Investment Company Limited (中糧肉食投資有限公司) successively from July 2008 to November 2016. Mr. Chen received a bachelor degree from Huazhong Agricultural University (華中農業大學) in July 1985, and was accredited as a Senior International Business Engineer in May 2002.



ZHOU Yuan

ZHOU Yuan, aged 32, is a non-executive Director. Mr. Zhou was appointed as a non-executive Director of the Company on 25 February 2016. Mr. Zhou was a vice chairman and a director of ORG Packaging, a listed company on Shenzhen Stock Exchange and a substantial shareholder of the Company, since November 2010 and as a director of Huang Shan NOVEL Company Limited (“Huang Shan NOVEL”), a listed company on Shenzhen Stock Exchange, since January 2016. Mr. Zhou received a Bachelor degree of Engineering (with Honours) in the field of Mechanical Engineering from Monash University in Australia in December 2010.



SHEN Tao

SHEN Tao, aged 48, is a non-executive Director. Mr. Shen was appointed as a non-executive Director on 25 February 2016. Mr. Shen has had over 23 years of senior management experience in the packaging industry including acting as the general manager of Shanghai Shenjing Steel Processing Company Limited (上海申井鋼材加工有限公司), the general manager of Shanghai Baoyi Can Company Limited (上海寶翼製罐有限公司), the assistant general manager of Shanghai Baosteel Property Development Company Limited (上海寶鋼產業發展有限公司), and the assistant general manager of Baosteel Metal Company Limited (寶鋼金屬有限公司). Mr. Shen joined ORG Packaging in July 2008 and has been a director of ORG Packaging since October 2010. He worked as the vice general manager of ORG Packaging from October 2008 to February 2014, and has been the general manager of ORG Packaging since February 2014 and a director of Huang Shan NOVEL since January 2016. Mr. Shen received a Master degree in Business Administration from Peking University in January 2015. He also obtained the qualification of senior business operator (高級經營師) from the Occupational Skill Testing and Instruction Centre of China* (中國商業職業技能鑒定指導中心) and State Senior Business Operator Assessment Committee* (全國高級經營師評審委員會) in March 2004.

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INDEPENDENT NON-EXECUTIVE DIRECTORS



CHENG Yuk Wo

CHENG Yuk Wo, aged 58, is an independent non-executive Director. Mr. Cheng was appointed as a Director on 23 June 2008. Mr. Cheng has been a member and a fellow of the Institute of Chartered Accountants in England and Wales since December 1987 and August 1998 respectively, a fellow of the Hong Kong Institute of Certified Public Accountants since January 1999, and a member of the Institute of Chartered Accountants of Ontario, Canada since November 1990. Mr. Cheng has over 30 years of experience in auditing, finance and business management. He has been the sole proprietor of Erik Cheng & Co., Certified Public Accountants in Hong Kong since 1999.

Mr. Cheng also serves as a director of Chiu Chow Chamber of Commerce and an Honorary Director of Hong Kong Rehabilitation Power.

Mr. Cheng currently acts as an independent non-executive director of a number of companies listed on the Stock Exchange, namely, CSI Properties Limited, HKC (Holdings) Limited, C.P. Lotus Corporation, Chong Hing Bank Limited, Top Spring International Holdings Limited, Liu Chong Hing Investment Limited, Goldbond Group Holdings Limited, Chia Tai Enterprises International Limited, DTXS Silk Road Investment Holdings Company Limited, Miricor Enterprises Holdings Limited, Somerley Capital Holdings Limited and Kidsland International Holdings Limited.

Mr. Cheng graduated from the University of Kent, England with a Bachelor's degree in Accounting in July 1983 and obtained a Master's degree in Accounting and Finance from the London School of Economics, England in August 1984.

Directors and Senior Management Profile



FU Tingmei

FU Tingmei, aged 52, is an independent non-executive Director. Mr. Fu was appointed as a Director on 23 June 2008. Mr. Fu has extensive experiences in investment, finance, law and business management. Between 1992 and 2003, he conducted many corporate finance transactions in several investment banking firms based in Hong Kong including serving as a director of Peregrine Capital Limited, and a deputy managing director and subsequently promoted as a managing director of BNP Paribas Peregrine Capital Limited. Mr. Fu is currently engaged in private investments business. He is currently also an independent non-executive director of Guotai Junan International Holdings Limited, Postal Savings Bank of China Co., Ltd., China Resources Pharmaceutical Group Limited and COFCO Meat Holdings Limited, both listed on the Stock Exchange. In the last 3 years, Mr. Fu was also an independent non-executive director of Beijing Enterprises Holdings Limited which is listed on the Stock Exchange. Mr. Fu graduated from the University of London with a master's degree and a doctorate degree in Law in 1989 and 1993, respectively.



PUN Tit Shan

PUN Tit Shan, aged 58, is an independent non-executive Director. Mr. Pun was appointed as a Director on 1 September 2016. He holds a master of business administration degree (with honour) from the University of Manchester. Mr. Pun is currently acted as head of investment of Concord Asset Management (HK) Ltd. and was the chief executive officer of Asia Wealth Securities Limited and the chief investment officer of Astrum Capital Management Limited. He has over 32 years of experience in the finance field, such as strategic dealing and arbitraging in the derivatives market, sales and marketing management in the primary and secondary equity market and sales and assets managing of high net-worth clients and investment advisory.

Currently, he is the vice-chairman of Institute of Financial Analyst and Professional Commentator and the Honorary Consultant of Hong Kong Ningxia Youth Association (香港寧夏青年會) since 2015. Mr. Pun was previously a board director of Hong Kong Futures Exchange Ltd. (1995-1999); a board director of Hong Kong Stock Exchange Options Clearing House Ltd. (1997-2000); a membership committee member of Hong Kong Securities Institute (1998-2002); a panel member of Derivatives Market Consultative Panel (2000-2003); a committee member of Hong Kong Securities Institute Professional Education Committee (2002-2004); and a member of Lions Club of Hong Kong Shouson Hill.

Mr. Pun is currently an independent non-executive director of each of China New Economy Fund Limited (Stock Code: 80) and Convoy Global Holdings Limited (formerly known as Convoy Financial Holdings Limited) (Stock Code: 1019), the shares of all of which are listed on the Main Board of the Stock Exchange.

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Report of the Directors





Report of the Directors

The Directors are pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are manufacturing of packaging products for consumer goods. There was no significant change in the nature of the Group's principal activities during the year ended 31 December 2018. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Management Discussion and Analysis section on pages 10 to 23 of this annual report.

Further discussion and analysis as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of the business of the Group, a discussion of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, are set out in the "Chairman's Letter", "General Manager's Report", "Management Discussion and Analysis" and "Notes to Financial Statements" sections of this annual report. The above sections form part of this report.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2018 and the Group's financial position as of that date are set out in the financial statements on pages 174 to 305 of this annual report. The Directors recommended the payment of a final dividend of RMB0.048 (equivalent to HK5.6 cents) per ordinary Share for the year ended 31 December 2018 (2017: RMB0.061, equivalent to HK7.5 cents). An interim dividend of RMB0.060 (equivalent to HK6.8 cents) per ordinary share was paid on 26 September 2018 (2017: RMB0.071, equivalent to HK8.2 cents).

The proposed final dividend for the year ended 31 December 2018 will be distributed on or after Wednesday, 26 June 2019 to shareholders whose names appear on the shareholders' register of the Company on Thursday, 13 June 2019 (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 2018 final dividend.

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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 2018 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 2018 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 2018 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, 6 June 2019.

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.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and restated/reclassified as appropriate, is set out on page 306 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the Year are set out in note 13 to the audited financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital of the Company for the year ended 31 December 2018 are set out in note 28 to the financial statements.

A share option scheme (the "Share Option Scheme") was conditionally approved by a written resolution of the Shareholder passed on 23 October 2009. The Share Option Scheme shall be valid and effective for a period of ten years commencing from 16 November 2009. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules, where appropriate.

The purpose of the Share Option Scheme is to attract, retain and motivate senior management personnel and key employees of the Group. The Board may, at its discretion and on such terms as it may think fit, grant to any Directors (executive or non-executive), supervisors, senior executives, key technical staff, managers, employees of the Group an option to subscribe for the Shares under the Share Option Scheme.

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An offer for grant of options under the Share Option Scheme must be accepted within 28 days on which such offer was made. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK\$1.00. The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price at the discretion of the Board, provided that it shall be at the highest of: (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer; or (iii) the nominal value of the Shares on the date of Offer. No Shares was available for issue under the Share Option Scheme during the year ended 31 December 2018.

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The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company does not, in aggregate, exceed 10% of the total number of Shares in issue on the date when the Shares were first listed on the Stock Exchange. Where any grant of options to be made to a substantial shareholder of the Company or any of his associates would result in the Shares in issue and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of grant, in excess of HK\$5 million, then such grant of options shall be subject to approval of the Shareholders in general meeting taken on a poll.

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The options previously granted to the participants on 12 October 2011 were all lapsed on 20 December 2017, and the Company has not granted any options since then. During the year ended 31 December 2018, the Company has no outstanding options, and thus there were no options exercised, cancelled or lapsed during the period.

Save as disclosed above, the Company has not adopted any other share option scheme during the year ended 31 December 2018.

DISTRIBUTABLE RESERVES

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At 31 December 2018, the Company's reserves available for distribution, calculated in accordance with the provisions of sections 291, 297 and 299 of the Hong Kong Companies Ordinance, amounted to approximately RMB64,106,000 (2017: approximately RMB84,408,000), of which approximately RMB56,379,000 (2017: approximately RMB71,648,000) has been proposed as a final dividend for the Year.

MAJOR CUSTOMERS AND SUPPLIERS

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For the year ended 31 December 2018, aggregate sales to the Group's largest and five largest customers accounted for approximately 7.3% and 31.4%, respectively, of the Group's total sales. The Group's largest and five largest suppliers of the Group, in aggregate, accounted for approximately 17.8% and 41.1%, respectively, of the Group's total purchases for the Year.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued Shares) had any beneficial interest in the Group's five largest customers or five largest suppliers during the year ended 31 December 2018.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the Year and up to the date of this annual report were:

Executive Directors:

Mr. ZHANG Xin (*Chairman*)

Mr. ZHANG Ye (*General Manager*)

Non-executive Directors:

Ms. YU Youzhi

Mr. CHEN Qianzheng

Mr. ZHOU Yuan

Mr. SHEN Tao

Independent non-executive Directors:

Mr. CHENG Yuk Wo

Mr. FU Tingmei

Mr. PUN Tit Shan

In accordance with Article 103 of the Articles, Messrs. Zhang Xin, Zhang Ye and Chen Qianzheng will retire and, being eligible, will offer themselves for re-election at the 2019 AGM.

Each of the Directors has a specific term of appointment for three years.

No Director proposed for re-election at the 2019 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

DIRECTORS OF SUBSIDIARIES

The names of directors who have served on the boards of directors of the Group's subsidiaries during the Year and up to the date of this annual report were:

Zhang Xin

Zhang Ye

Shi Yu

Lv Qing

Feng Ping*

Cheng Bincai*

Zhao Wei

Gu Xiao Lei

Huang Jin

Yang Xiaoyan

Wang Jiliang

Goh Hock Huat*

Robert Henry Bourque Jr

Ji Lifang

Peng Wei*

Hong Yuanxiang*

Gai Jun

Gong Xielong

Ma Binyun

Chan Yin Leng

Zhang Xingsong

* He/She has resigned as a director of the relevant subsidiary(ies) of the Group.

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DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 64 to 67 of this annual report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the Group to which the holding company of the Company, the Company or any of the Company's subsidiaries or fellow subsidiaries was a party during the Year.

DIRECTORS' REMUNERATION

The Directors' fees are subject to the Shareholders' approval at the general meetings. Other emoluments are determined by the Remuneration Committee pursuant to the Articles with reference to market conditions, Directors' duties, responsibilities and performance and the results of the Group.

Details of the remuneration for Directors are set out in note 8 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, save as disclosed below, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any Director or chief executive of the Company was deemed or taken to be under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests in underlying shares of the Company

Name of Directors	Capacity/Nature of Interests	Number of underlying shares held in long position	Approximate percentage of interests (Note 1)
Mr. Zhang Xin	Beneficial owner	14,111,000 (Note 2)	1.20%
Mr. Zhang Ye	Beneficial owner	9,200,000 (Note 3)	0.78%

Notes:

- (1) The percentages are calculated based on the total number of Shares in issue as at 31 December 2018, i.e., 1,174,560,000 Shares.
- (2) Zhang Xin is interested in 14,111,000 Shares comprising (i) 12,500,000 Shares being the shares subscribed by him from the Company pursuant to the Subscription Agreement dated 22 May 2016, which are held by Majestic Merge Limited on behalf of him; and (ii) 1,611,000 Shares which is held by himself.
- (3) Zhang Ye is interested in 9,200,000 Shares comprising (i) 8,500,000 Shares being the shares subscribed by him from the Company pursuant to the Subscription Agreement dated 22 May 2016, which are held by Majestic Merge Limited on behalf of him; and (ii) 700,000 Shares which is held by himself.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, so far as was known to the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required kept by the Company under section 336 of the SFO:

Substantial shareholders and other persons	Notes	Capacity/Nature of Interests	Number of Shares held	Approximate percentage of aggregate interests in issued share capital of the Company (Note 6)
China Foods (Holdings) Limited ("China Foods (Holdings)")	(1)	Registered owner	330,658,800	28.15%
COFCO (Hong Kong) Limited ("COFCO (HK)")	(1) & (2)	Interests of controlled corporations	330,658,800	28.15%
	(1) & (3)	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	269,341,200	22.93%
COFCO Corporation ("COFCO")	(1) & (4)	Interests of controlled corporations	330,658,800	28.15%
	(1), (3) & (4)	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	269,341,200	22.93%
ORG Technology Co. Ltd. (formerly known as ORG Packaging Co. Ltd) ("ORG Technology")	(1) & (3)	Interests of controlled corporations	269,341,200	22.93%
	(1) & (3)	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	330,658,800	28.15%

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				Approximate percentage of aggregate interests in issued share capital of the Company <i>(Note 6)</i>
Substantial shareholders and other persons	Notes	Capacity/Nature of Interests	Number of Shares held	
Shanghai Yuanlong Investment Limited (上海原龍投資有限公司) (“Shanghai Yuanlong”)	(1) & (3)	Interests of controlled corporations	269,341,200	22.93%
	(1) & (3)	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	330,658,800	28.15%
Mr. Zhou Yunjie	(1) & (3)	Interests of controlled corporations	269,341,200	22.93%
	(1) & (3)	Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	330,658,800	28.15%
Wing Lung Bank (Trustee) Limited	(1) & (5)	Trustee of a trust	88,500,000	7.53%
Antopex Limited	(1) & (5)	Nominee for another person	88,500,000	7.53%
Chuang Neng Enterprises Limited	(1) & (5)	Interest of controlled corporations	88,500,000	7.53%
Majestic Merge Limited	(1) & (5)	Registered owner	88,500,000	7.53%

Notes:

- (1) Long positions in the Shares.
- (2) China Foods (Holdings) is a wholly-owned subsidiary of COFCO (HK). COFCO (HK) is therefore deemed to be interested in the 330,658,800 Shares held by China Foods (Holdings).
- (3) On 8 November 2015, COFCO (HK) and ORG Technology entered into a sale and purchase agreement (the “Sale & Purchase Agreement”), pursuant to which COFCO (HK) has conditionally agreed to sell and ORG Technology has conditionally agreed to purchase in the maximum of 269,341,200 Shares. On 27 January 2016, the completion of the Sale & Purchase Agreement took place, following which COFCO (HK) sold and ORG Technology purchased 269,341,200 Shares. The Sale & Purchase Agreement is an agreement to which s.317(1)(a) applies as it contains a lock-up obligation on the part of ORG Technology. Such shares were transferred to ORG Development Limited, which is wholly-owned by ORG Packaging International Holdings Limited which in turn is wholly-owned by ORG Technology. ORG Technology is owned as to approximately 48.33% by Shanghai Yuanlong and approximately 0.74% by 北京二十一兄弟商貿有限公司 which in turn are owned as to approximately 78.00% and 80.00% respectively by Mr. Zhou Yunjie. Therefore, Mr. Zhou Yunjie, Shanghai Yuanlong and ORG Technology are deemed to be interested in all the Shares held by ORG Development Limited under the SFO.

- (4) COFCO (HK) and China Foods (Holdings) are wholly-owned subsidiaries of COFCO. COFCO is therefore deemed to be interested in the Shares held by COFCO (HK) and China Foods (Holdings).
- (5) The entire share capital of Majestic Merge Limited is held by Chuang Neng Enterprises Limited, and the entire share capital of Chuang Neng Enterprises Limited is held by Antopex Limited, a nominee which is wholly-owned by Wing Lung Bank (Trustee) Limited.
- (6) The percentages are calculated based on the total number of Shares in issue as at the 31 December 2018, i.e., 1,174,560,000 Shares.

Save as disclosed above, as at 31 December 2018, the Company had not been notified of any other persons other than the Directors or chief executive of the Company who had an interest or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of the Part XV of the SFO, or which were required to be recorded in the register of interests required kept under section 336 of the SFO.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2018, the Company has not entered into any equity-linked agreement.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained the amount public float as required under the Listing Rules as at the latest practicable date prior to the issue of this annual report.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The companies now comprising the Group had entered into a number of transactions with parties which were connected persons of the Company under the Listing Rules. These transactions are considered to be connected transaction and continuing connected transactions under the Listing Rules, which need to be disclosed herein in compliance with the requirements under Chapter 14A of the Listing Rules. Details of the connected transaction and continuing connected transactions are as follows:

I. Connected Transaction

1. Capital Contribution to Harvest Epoch Packaging (Zhejiang) Co., Ltd.* ("Epoch Packaging")

On 30 November 2018, CPMC Investment Co., Ltd. ("CPMC Investment"), an indirect wholly-owned subsidiary of the Company, Harvest Epoch International Limited ("Epoch International") and Duilong Honghui New Material Technology Co., Ltd. ("Duilong Honghui"), an indirect wholly-owned subsidiary of ORG Technology, entered into the Equity Adjustment Agreement in relation to the increase of the registered capital of Epoch Packaging, pursuant to which CPMC Investment and Harvest Epoch International will each make capital contribution to Epoch Packaging for a total cash of US\$13,050,000 and US\$6,950,000 respectively. Upon completion of the capital contribution, the enlarged registered capital in Epoch Packaging will be held as to (i) 54.7% by the CPMC Investment; (ii) 31.2% by Harvest Epoch International; and (iii) 14.1% by Duilong Honghui, respectively.

* For identification purposes only

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Duilong Honghui is an indirect wholly-owned subsidiary of ORG Technology, a substantial Shareholder of the Company, therefore it is a connected person of the Company at the issuer level pursuant to Rule 14A.07(1) of the Listing Rules. Epoch Packaging is a non wholly-owned subsidiary of CPMC Investment and Duilong Honghui holds 10% or more interest in it. Therefore, Epoch Packaging is a connected subsidiary pursuant to Rule 14A.16(1) of the Listing Rules and a connected person of the Company under Rule 14A.07(5) of the Listing Rules. Therefore, the capital contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Details of the above connected transaction were disclosed in the announcement of the Company dated 30 November 2018.

II. Continuing Connected Transactions

1. 2016 Financial Services Agreement with COFCO Finance

On 15 September 2016, the Company and COFCO Finance entered into a financial services agreement (the “2016 Financial Services Agreement”) in respect of the renewal of a financial services agreement entered into between the Company and COFCO Finance on 18 September 2013 (the “2013 Financial Services Agreement”). Details of the 2016 Financial Services Agreement and 2013 Financial Services Agreement were disclosed in the announcement of the Company dated 15 September 2016 and 18 September 2013, respectively, and the circular of the Company dated 5 October 2016 and 11 October 2013, respectively. The approval of the independent Shareholders was obtained at the extraordinary general meeting held on 24 October 2016.

Pursuant to the 2016 Financial Services Agreement, COFCO Finance has agreed to provide to the Group the following financial services for a term of three years commencing on 24 October 2016, the date on which the approval of the independent Shareholders was obtained at the extraordinary general meeting:

(a) Deposit services

The maximum daily deposit amount (including accrued interests) placed by the Group with COFCO Finance shall not exceed equivalent of RMB900 million. The deposit services and the above annual cap were subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

(b) Entrustment loan services and other financial services

COFCO Finance has agreed to provide (i) the entrustment loan services to the Group pursuant to which COFCO Finance only acts as agent of the Group and charge handling fees and other services fees in connection with the entrustment loan services; and (ii) other financial services, including settlement services, forex trading services and other related consultancy and agency services to be provided by COFCO Finance to the Group under the 2016 Financial Services Agreement. COFCO Finance will charge handling fees in connection with the entrustment loan services and the other financial services for a maximum annual cap not exceeding RMB4 million. The above entrustment loan services and the other financial services were only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

For the year ended 31 December 2018, the maximum daily deposit amount (including accrued interests) amounted to RMB801,340,000 and there was no transaction of the entrustment loan services and the other financial services between the Company and COFCO Finance under the 2016 Financial Services Agreement.

2. 2017 COFCO Packaging Materials Agreement

On 24 October 2017, the Company entered into a supply framework agreement (the “2017 COFCO Packaging Materials Agreement”) with COFCO in respect of the renewal of the 2014 Framework Agreement. Pursuant to the 2017 COFCO Packaging Materials Agreement, the Group will supply Products and Related Services to COFCO Group with reference to the prevailing market prices of same or similar products and services of the same period for a term of three years commencing on 1 January 2018. The 2017 COFCO Packaging Materials Agreement may be renewed by agreement between the parties subject to obtaining the necessary consents and approvals (if necessary) required by the Listing Rules. Details of the 2017 COFCO Packaging Materials Agreement were disclosed in the announcement of the Company dated 24 October 2017 and the circular of the Company dated 30 November 2017. The approval of the independent Shareholders was obtained at the extraordinary general meeting held on 20 December 2017.

The approved maximum aggregate annual value of the Products and Related Services to be supplied to COFCO Group in 2018, 2019 and 2020 are expected not to exceed RMB480,000,000, RMB570,000,000 and RMB670,000,000 respectively.

For the year ended 31 December 2018, the aggregate value of the Products and Related Services to be supplied to COFCO Group under the 2017 COFCO Packaging Materials Agreement was approximately RMB403,403,000.

3. 2017 COFCO IT Agreement

On 24 October 2017, the Company entered into a supply framework agreement (the “2017 COFCO IT Agreement”) with COFCO in respect of the renewal of the 2014 IT Services Framework Agreement. Pursuant to the 2017 COFCO IT Agreement, COFCO together with its subsidiaries and associates other than the Group (“COFCO Group”) agrees to procure IT software and IT facilities for the Group, supply IT services and market consulting services, and leasing to the Group at the respective annual caps for a period commencing on 1 January 2018 and ending on 31 December 2020 (the “IT Products and Services”). The 2017 COFCO IT Agreement may be renewed by agreement between the parties subject to obtaining the necessary consents and approvals (if necessary) required by the Listing Rules. Details of the 2017 COFCO IT Agreement were disclosed in the announcement of the Company dated 24 October 2017.

Pursuant to the 2017 COFCO IT Agreement, the annual caps in respect of the supply of IT Products and Services by COFCO Group to the Group from 2018 to 2020 in relation to (i) the purchase of IT software and IT facilities is RMB800,000, RMB800,000 and RMB800,000 respectively; (ii) the supply of IT services and market consulting services is RMB3,000,000, RMB3,000,000 and RMB3,000,000 respectively; and (iii) leasing is RMB4,000,000, RMB3,500,000 and RMB4,000,000 respectively.

For the year ended 31 December 2018, the aggregate value in relation to (i) the purchase of IT software and IT facilities; (ii) the supply of IT services and market consulting services; and (iii) leasing under 2017 COFCO IT Agreement were RMB469,000, Nil and RMB2,703,000, respectively.

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4. 2017 ORG Packaging Materials Agreement

On 24 October 2017, the Company entered into a framework agreement (the “2017 ORG Packaging Materials Agreement”) with ORG Packaging in respect of the renewal of the 2016 Sales and Purchases Framework Agreement. Pursuant to the 2017 ORG Packaging Materials Agreement, (i) the Group has agreed to sell to ORG Group and ORG Group has agreed to purchase from the Group printed tins, printed aluminium and caps and related can production services of such packaging materials, and (ii) ORG Group has agreed to sell to the Group and the Group has agreed to purchase from ORG Group tins, laminated steel and aluminium and related can production services of such packaging materials, from 1 January 2018 to 31 December 2020. Details of the 2017 ORG Packaging Materials Agreement were disclosed in the announcement of the Company dated 24 October 2017 and the circular of the Company dated 30 November 2017. The approval of the independent Shareholders was obtained at the extraordinary general meeting held on 20 December 2017.

Pursuant to the 2017 ORG Packaging Materials Agreement, the approved annual caps in respect of (i) the sale of printed tins, printed aluminium and caps and related can production services of such packaging materials by the Group to ORG Group from 2018 to 2020 are RMB450,000,000, RMB520,000,000 and RMB550,000,000; (ii) the sale of tins, laminated steel and aluminium and related can production services of such packaging materials by ORG Group to the Group from 2018 to 2020 are RMB400,000,000, RMB450,000,000 and RMB500,000,000.

For the year ended 31 December 2018, the aggregate value in relation to (i) the sale of printed tins, printed aluminium and caps and related can production services of such packaging materials by the Group to ORG Group; and (ii) the sale of tins, laminated steel and aluminium and related can production services of such packaging materials by ORG Group to the Group under 2017 ORG Packaging Materials Agreement were RMB134,823,000 and RMB71,337,000 respectively.

Annual review of continuing connected transactions

The independent non-executive Directors have reviewed the above continuing connected transactions numbered 1 to 4 for the year ended 31 December 2018 and confirmed that the above continuing connected transactions were:

1. entered into in the ordinary and usual course of business of the Group,
2. entered into on normal commercial terms or on terms no less favorable than those available to or from independent third parties, and
3. in accordance with the terms of respective agreements governing the above continuing connected transactions that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ernst & Young, the Company’s auditor, were engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor’s letter has been provided by the Company to the Stock Exchange.

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Certain related party transactions as disclosed in note 36 to the audited financial statements of this annual report also constituted connected transactions or continuing connected transactions of the Company under the Listing Rules which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules. The related party transactions in relation to the key management personnel remuneration as disclosed in note 36 to the consolidated financial statements of this annual report include connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.73(6) of the Listing Rules. Save as the aforesaid and the connected transaction and continuing connected transactions disclosed above, the Directors consider that all other related party transactions disclosed in note 36 to the consolidated financial statements of this annual report did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, annual review, announcement, or independent shareholders' approval requirements under the Listing Rules. The Company confirmed it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules throughout the Year.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

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

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

Note:

ORG Technology is a listed company on Shenzhen Stock Exchange (Stock Code: 002701) and a substantial Shareholder, holding approximately 22.93% of the issued share capital of the Company. ORG Technology is principally engaged in the comprehensive packaging services including packaging design, packaging production, filling and brand design and promotion. For further details of ORG Technology in respect of its business and financial position, please refer to its annual report dated 27 April 2018, which is available at <http://www.orgtech.cn/uploadfile/2018/0528/20180528012334703.pdf>.

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

Same as disclosed above, as at 31 December 2018, no Directors are considered to have interests in any business which is likely to compete directly or indirectly with that of the Group.

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 2018.

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PERMITTED INDEMNITY

During the year ended 31 December 2018, the Company has arranged Directors' and officers' liability insurance for all Directors and senior management of the Company. The insurance covers the corresponding costs, charges, expenses and liabilities for legal action of corporate activities against them. Pursuant to Article 171 of the Articles, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all liabilities (to the extent permitted by the Hong Kong Companies Ordinance) sustained or incurred by such Director or officer in or about the execution of his office or otherwise in relation thereto.

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MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the Year.

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COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC while the Company itself is listed on the Stock Exchange. Our operations accordingly shall comply with relevant laws and regulations in the PRC and Hong Kong.

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The Company strictly abides by the laws and regulations of the PRC in its business operation, including but not limited to the laws and regulations in relation to product safety, printing business, foreign investment, labour and insurance, taxation, foreign exchange and environmental protection, specifically, Production Safety Law of the People's Republic of China, Regulation of the People's Republic of China on the Administration of Production License for Industrial Products, Measures for the Administration of Operating Licenses for Hazardous Chemicals, Product Quality Law of the People's Republic of China, Trademark Law of the People's Republic of China, Law of the People's Republic of China on Foreign-Capital Enterprises, Interim Measures for the Recordation Administration of the Formation and Modification of Foreign-Funded Enterprises, Labour Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, Enterprise Income Tax Law of the People's Republic of China, Regulations of the People's Republic of China on the Management of Foreign Exchanges, Environmental Protection Law of the People's Republic of China, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, etc.

During the year ended 31 December 2018, the Group did not breach any law and regulation that has a significant impact on the Group.

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ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is devoted to promoting and maintaining the environmental and social sustainable development of the regions where it operates. As a responsible enterprise, the Group is in compliance with all the relevant laws and regulations in terms of the environmentally friendliness, health and safety, adopts effective measures, conserves energy and reduces waste. Further discussion on the Group's environmental policies and performance and an account of the Group's key relationships with its employees, are set out in the "Environmental, Social and Governance Report" of this annual report. The said section forms part of this report.

KEY RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

The Directors recognise that customers and business partners are the keys to the sustainable development of the Group. The Group is committed to building a close and caring relationship with its business partners and improving the quality of services to the customers.

The Group stays connected with its customers and suppliers and has ongoing communication with the customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

CORPORATE GOVERNANCE CODE

The Directors consider that the Company has complied with the CG Code as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2018.

RETIREMENT SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Particulars of the retirement scheme are set out in note 2.4 to the financial statements of this annual report.

ANNUAL GENERAL MEETING

The 2019 AGM will be held on Monday, 3 June 2019.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' eligibility to attend and vote at the 2019 AGM

Latest time to lodge transfer documents for registration	4:30 p.m. on 28 May 2019
Closure of Register of members	29 May to 3 June 2019 (both dates inclusive)
Record date	3 June 2019

For determining the Shareholders' entitlement to the final dividend

Latest time to lodge transfer documents for registration	4:30 p.m. on 6 June 2019
Closure of Register of members	10 June to 13 June 2019 (both dates inclusive)
Record date	13 June 2019

In order to qualify for the proposed final dividend and attend the 2019 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.

AUDITOR

Ernst & Young will retire and a resolution for their re-appointment as auditor of the Company will be proposed at the 2019 AGM.

Zhang Xin

Chairman

Hong Kong, 26 March 2019

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董事

執行董事

張新先生 (主席)
張擘先生 (總經理)

非執行董事

余友枝女士
陳前政先生
周原先生
沈陶先生

獨立非執行董事

鄭毓和先生
傅廷美先生
潘鐵珊先生

審核委員會

鄭毓和先生 (委員會主席)
傅廷美先生
周原先生

薪酬委員會

傅廷美先生 (委員會主席)
陳前政先生
潘鐵珊先生

提名委員會

張新先生 (委員會主席)
鄭毓和先生
傅廷美先生

風險管理委員會

潘鐵珊先生 (委員會主席)
沈陶先生
張擘先生

公司秘書

嚴銘毓先生 (CPA, ACIS, ACS)

核數師

安永會計師事務所 (註冊會計師)

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主要來往銀行

中國農業銀行股份有限公司
交通銀行股份有限公司
中國銀行股份有限公司
中國銀行(香港)有限公司
中國建設銀行股份有限公司
中國工商銀行股份有限公司
瑞穗銀行
華僑銀行
三井住友銀行
三菱UFJ銀行

註冊辦事處

香港銅鑼灣
告士打道262號
中糧大廈33樓

總辦事處

中國
浙江省杭州市
杭州經濟技術開發區
圍懇街160號

香港證券登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓
1712-1716室

公司網址

www.cofco-pack.com

股份代號

香港聯合交易所有限公司：00906
彭博資訊：906:HK
路透社：0906.HK

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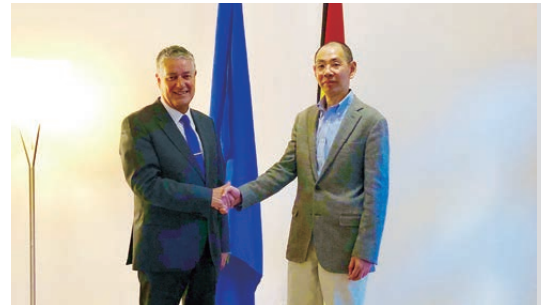
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浙江海寧紀鴻新廠建成投產。



浙江海寧新廠

中糧包裝投資有限公司攜手比利時Illochroma Haoneng股東—豪能集團，在比利時投資建設兩片罐工廠，向國際知名的啤酒、飲料品牌提供鋁製包裝；比利時駐華大使馬克文 (Vink Marc) 先生親切接見中糧包裝董事長張新先生，並表示政府將全力支持該項目的實施。



比利時駐華大使接見中糧包裝董事長

嘉興鋼桶新廠建成投產，並順利通過科思創、巴斯夫供應商資格審核。



嘉興鋼桶供應商資格審核

龍江飛鶴廠中廠第二條生產線投產。



飛鶴廠中廠二線

天津公司連續四年榮獲伊利「優秀供應商」，並榮獲聯合利華質量控制獎；番禺公司榮獲攬菊「優秀供應商」。



榮獲伊利「優秀供應商」



榮獲聯合利華
質量控制獎

榮獲攬菊
「優秀供應商」

天津公司榮獲天津市先進外商投資企業；杭州公司首次獲得由浙江省科學技術廳、浙江省財政廳和國家稅務總局浙江省稅務廳聯合頒發的《高新技術企業證書》。



榮獲「天津市先進外商投資企業」



榮獲「高新技術企業證書」

中糧包裝在2017「金港股」評選活動中榮獲「最具價值中小市值股公司」。



榮獲「最具價值中小市值股公司」

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親愛的股東：

本人謹代表中糧包裝控股有限公司（「本公司」）董事會（「董事會」），欣然宣佈本公司及其附屬公司（統稱「本集團」或「中糧包裝」）截至2018年12月31日止年度（「本年度」）之已審核年度業績。

2018年，受到保護主義的影響，世界經濟震盪運行，增長放緩。面對複雜嚴峻的外部環境，中國政府堅持穩中求進的工作總基調，以供給側改革為主線，深入推動經濟結構調整，包含防範化解重大風險、精準脫貧、污染防治的三大攻堅戰開局良好，消費作為經濟增長主要動力作用更加顯著。2018年，中國經濟繼續運行在合理區間，中國國內生產總值增速為6.6%，全國居民人均可支配收入增長8.7%，快於GDP增速，全年社會消費品零售總額增長9.0%。

2018年，隨著「三去一降一補」工作的紮實推進，上游大宗商品價格繼續保持高位運行，馬口鐵、塑膠粒子等原材料價格甚至進一步上漲，下游終端市場集中度提升、增長趨緩，處於中游的包裝行業逐步將上漲成本向下游客戶轉移，但是過程略有遲滯，對當期業績形成挑戰。國內包裝行業競爭格局繼續調整，儘管所處階段不同，均在逐步改善之中。馬口鐵包裝、塑膠包裝行業相對分散，中小企業及低端產能居多，目前尚處於整合初期，相信隨着安全環保措施的嚴格實施，消費升級的推進，劣勢產能會逐漸淘汰。鋁制包裝行業集中度相對較高，由於2010年後下游需求快速增長，吸引眾多企業拓展兩片罐產能，短期內供應增長超出需求增長，競爭加劇。隨着2016年以來原輔材料價格的反轉上升，面對盈利壓力行業漸趨理性，優勝劣汰正式拉開帷幕，需求的穩步增長與多樣化蛻變，也消化了部分過剩產能。目前行業格局漸趨明朗，外資企業因競爭能力下降收縮退出中國市場，國內弱勢企業被併購、邊緣化，優質企業謹慎拓展、有序整合，整體行業逐步回暖，盈利狀況有望改善。本集團立足國內市場，並抓住「一帶一路」的契機，密切配合國際知名品牌客戶，開始優勢厚利產品的海外拓展，年內啟動首個境外項目，推進包裝業務國際化，

目前相關後續工作有序開展。同時，本集團持續強化技術創新，優化供應鏈競爭能力，堅持實行對標改善，多舉措並舉嚴控成本，促進運營管理水平與人力效能的提升，積極承擔企業社會責任，嚴格開展安全環保工作，維護好綠水青山。

展望未來，鑑於包裝行業競爭格局的調整，供需形勢的平衡，整體包裝行業的盈利能力有望提升。在此背景下，本集團將積極應對，抓住時機，持續拓展有潛力的細分產品市場，繼續優化產能佈局，加強行業協同，開展研發創新，持續提升企業競爭能力與業績表現。

最後，本人謹代表董事會，對管理層及各員工過去一年為本集團付出之竭誠努力及寶貴貢獻致以謝意。本人亦謹此對本集團客戶、供貨商、業務夥伴及股東一直以來的鼎力支持深表感謝。

張新
董事會主席

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本人欣然向股東報告，截至2018年12月31日止年度的本集團銷售收入約為人民幣65.91億元，較上年同期增加約10.3%；本公司股東應佔溢利約人民幣2.55億元，較2017年人民幣3.11億元下降約17.9%。截至2018年12月31日止年度的每股基本盈利為人民幣0.22元。

董事會建議派付截至2018年12月31日止年度之末期股息每股普通股人民幣0.048元（相等於5.6港仙）（2017年：人民幣0.061元，（相等於7.5港仙）），唯須待2019年6月3日舉行之股東周年大會通過。是項建議末期股息將於2019年6月26日或之後派發予於2019年6月13日名列股東名之本公司股東。

2018年是中糧包裝開拓進取，克難奮進的一年。儘管外部環境複雜多變，市場競爭依然激烈，原材料價格繼續高位運行，但是在行業整合持續推進，下游部份細分產品市場供需漸趨平衡的背景下，整體行業盈利逐步改善。本集團內部緊抓標桿管理，努力實現人力效能提升與降本增效，外部緊隨市場調整，高度重視戰略客戶的需求，以差異化優質產品，高質量服務，創新的合作模式，實現本集團2018年銷售收入的穩步成長，保持合理的毛利水平。同時，本集團首個海外項目順利簽約，計劃在比利時引入一條全新兩片罐生產線，擬於2020年上半年開始向歐洲市場客戶提供產品與服務。

馬口鐵包裝業務是本集團的傳統業務領域，產品種類多，細分市場情況各異。隨着供給側改革的深入開展，下游行業集中度逐步提升，同時自2016年3季度主要原材料價格觸底反彈和快速上漲以來，2018年依然維持高位運行，對包裝企業帶來較大挑戰。本集團積極應對，針對不同產品市場的具體情況，聚焦有潛力的細分市場，加大開拓力度，重點關注戰略客戶的需求，研發創新推出個性化新品，嚴控質量與交付，實現馬口鐵包裝業務銷售收入提升約7.7%，其中鋼桶、三片飲料罐、方圓罐等細分產品銷售收入實現兩位數增長。

年內，本集團的兩片罐產品和單片罐產品均實現了快速增長，整體鋁製包裝業務銷售收入較去年同期提升約12.7%，盈利能力小幅改善。在鋁製兩片罐業務方面，奧瑞金收購波爾亞太中國業務，行業整合有序開展，供需狀況逐步平衡，本集團穩步推進併購新產能

釋放，持續提升行業競爭能力，響應多品種、高質量、多批次的市場需求，協同推進行業有序健康成長，同時準確把握時機，兩片罐業務年內實現銷售收入增長約12.6%。在單片罐業務領域，本集團持續關注製造能力提升，積極開拓潛在客戶市場，產銷兩旺，實現銷售收入較同期增長約13.8%。

在塑膠包裝業務領域，公司繼續鞏固與日化產品市場客戶合作的同時，持續拓展非日化產品市場，食品、調味品等行業客戶的銷售收入保持快速增長。本集團繼續優化客戶結構，推進新品研發，開發新客戶與新產品項目，持續推進廠中廠項目合作，加強客戶黏性，2018年塑膠包裝業務銷售收入較去年增長約15.8%。

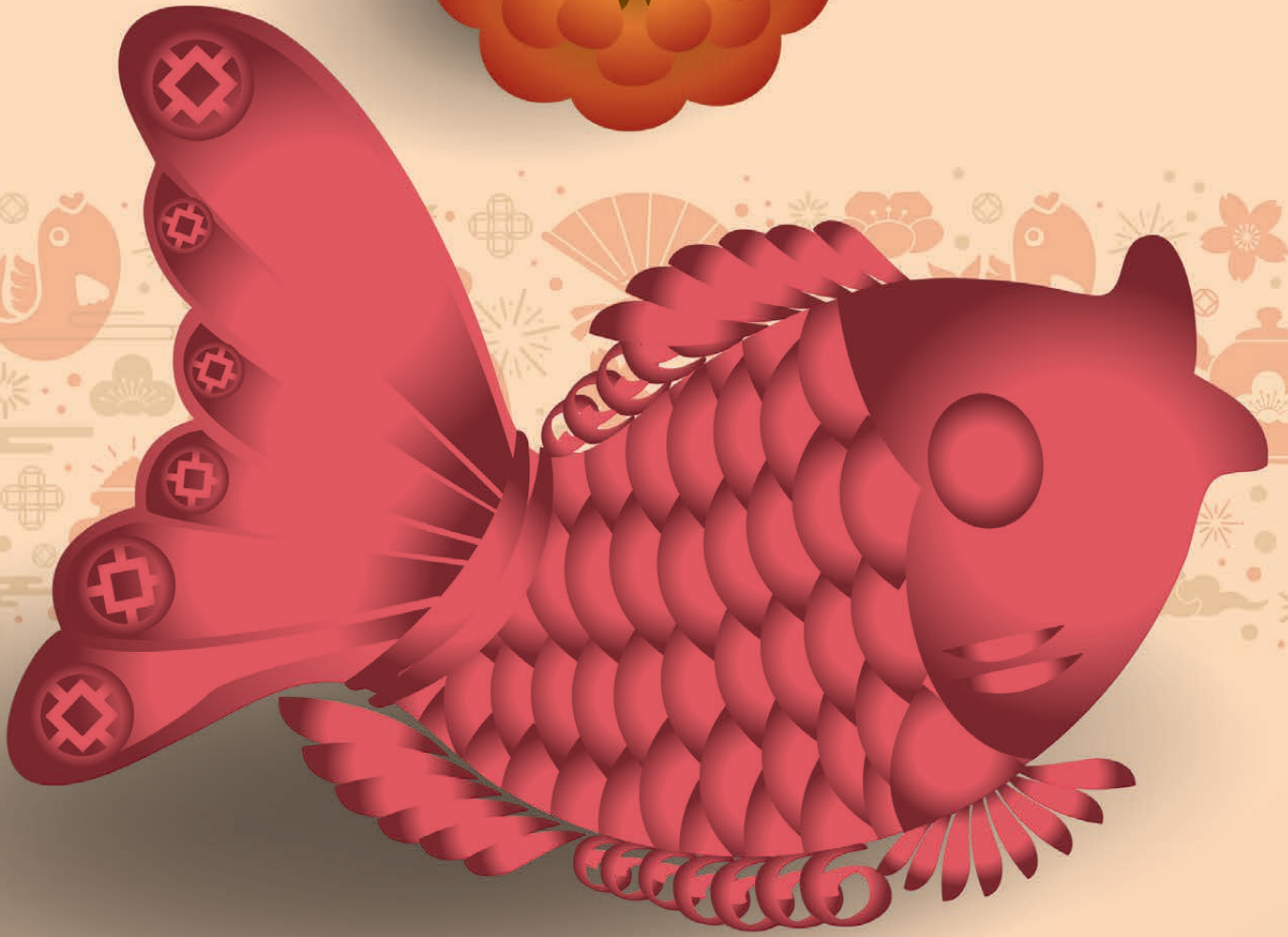
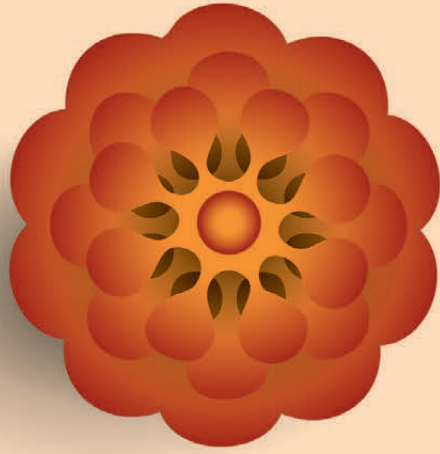
年內，面對加多寶項目中相關方未能履約注資的挑戰，本集團積極應對，二、三季度中止對加多寶的供罐，並及時調整訂單結構，提高對其他優質客戶的供應，同時通過司法途徑妥善維護股東及公司利益，並與相關方保持密切溝通，探討協商解決方案。考慮到後續加多寶新的管理團隊積極推進人員精簡，渠道梳理，管理提升，為了保護品牌價值和長遠合作利益，與加多寶在先款後貨的前提下，本集團從9月末開始逐步恢復對加多寶的供罐，支持其完成元旦春節的旺季銷售備貨。

展望未來，中國經濟保持平穩增長，居民消費繼續提升，為下游消費品包裝行業的進一步發展提供有利機會，同時隨着競爭格局的調整，業內優質企業的競爭優勢進一步突顯。本集團將密切關注國內外市場變動，有的放矢地靈活應對，重點關注細分市場機會，順應行業集中度提升趨勢，持續開展對標改善，充份利用現有產能，嚴控投資回報，打造產品差異化優勢，加強環保和安全保障，擔負社會責任，堅持高質量發展道路，以優質產品回饋客戶，為股東創造更大價值。

張曄
執行董事及總經理

管理層 論述及分析





管理層論述及分析

管理層論述及分析

業務介紹

本集團主要從事食品、飲料及日化產品等消費品所使用包裝產品的生產與銷售，深度覆蓋茶飲料、碳酸飲料、果蔬飲料、啤酒、乳製品、日化等消費品包裝市場。此外，本集團提供包括高科技包裝設計、印刷、物流及全方位客戶服務等在內的綜合包裝解決方案。作為中國金屬包裝龍頭企業，本集團致力於成為中國綜合消費品包裝領導者。本集團的產品主要包括馬口鐵包裝產品、鋁製包裝產品和塑膠包裝產品。本集團透過戰略性分佈於中國不同地區的32家營運子公司、一家聯營、一家合營及其下屬分公司開展業務，以便有效地服務客戶。本集團在多個細分市場領域排名第一位，獲得了眾多國內外知名品牌客戶的青睞和信任。本集團已建立了穩固的客戶群，其中包括國內外知名的高端消費品生產商。

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董事及高級管理人員簡介

董事會報告



馬口鐵包裝

本集團的馬口鐵包裝採用馬口鐵作為主要生產原材料，產品包括奶粉罐、氣霧罐、金屬蓋、鋼桶、三片飲料罐、方圓罐、印塗鐵及其他金屬包裝。本集團在奶粉罐、旋開蓋等多個細分市場均處於行業領先地位。

2018年，馬口鐵價格震盪上調：在2017年同比大幅上漲的基礎上，年內馬口鐵價格繼續上調約7.2%，對整體馬口鐵包裝產品的盈利帶來較大挑戰。本集團積極應對，實現絕大部份馬口鐵包裝產品銷量、收入的雙重增長。截止2018年12月31日止，本集團馬口鐵包裝銷售收入約為人民幣35.22億元（2017年：約人民幣32.69億元），較2017年上升約7.7%，佔整體銷售約53.4%（2017年：約54.7%）。受快速增長原材料成本在產品銷售價格轉移略有延滯的影響，2018年馬口鐵包裝業務毛利率約為14.1%（2017年：約16.5%）。

奶粉罐

奶粉罐主要用於嬰幼兒配方奶粉、健康食品等產品的包裝，本集團是中國最大的奶粉罐生產商。2018年，奶粉罐業務銷售收入約人民幣5.94億元（2017年同期：約人民幣5.70億元），較去年同期增長約4.2%。自奶粉配方註冊制實施一年以來，國內市場品牌集中度加劇，國產品牌市場佔比逐步提升，整體需求穩中有增。本集團密切跟進新政策環境下市場整合加速的機會，加大重點區域投入，充分發揮廠中廠業務優勢，關注大客戶需求，有針對性地提供差異化產品與服務，進一步提高客戶黏性，獲得品牌客戶青睞。本集團的奶粉罐知名客戶為伊利、飛鶴乳業、君樂寶、蒙牛及雀巢等。

氣霧罐

氣霧罐產品主要用於汽車護理用品、空氣清新劑、個人護理和除蟲產品等家居日化產品以及其他化學產品的包裝。本集團加強與細分行業領導企業的戰略合作，探索區域市場機會，開發新產品，適度增加產能為後續拓展做好準備，2018年實現銷售收入約人民幣3.55億元（2017年：約人民幣3.82億元），較去年同期下降約7.1%。本集團的氣霧罐知名客戶為天津固諾，深圳彩虹、上海莊臣、中山欖菊及河北康達等。

金屬蓋

金屬蓋產品包括旋開蓋和皇冠蓋。2018年，本集團金屬蓋業務銷售收入約為人民幣4.72億元（2017年：約人民幣4.55億元），較去年同期增長約3.7%。本集團快速響應市場變動，在旋開蓋業務方面積極推進與新國標的對接，憑借新產品研發的技術優勢，改善產品的銷售與盈利狀況。本集團金屬蓋知名客戶為海天、家家紅、廚邦、老干媽、百威英博、華潤雪花啤酒及青島啤酒等。

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鋼桶

本集團生產的200升及以上容積鋼桶主要用於盛裝大包裝的食用油等食品原料及化工產品。2018年，本集團持續跟進國際品牌客戶的開發與合作，提高優質客戶訂單份額，精準開展產銷聯動，有效推進新產能釋放，確保產品質量與及時交付，提升環保投入，加強價格管理，贏得大客戶信賴，實現銷售收入約人民幣8.15億元（2017年：約人民幣6.77億元），較去年同期增長約20.4%。本集團鋼桶知名客戶包括中石化、埃克森美孚、中石油、巴斯夫、中糧及益海嘉里等。

三片飲料罐（三片罐）

三片飲料罐（以下簡稱三片罐）廣泛用於蛋白飲料、功能飲料、八寶粥、果蔬汁及咖啡飲品等產品的包裝。本集團密切跟進下游市場新品機會，積極服務重點客戶，努力提升優質客戶供應佔比，實現三片罐銷售收入約人民幣5.28億元（2017年：約人民幣4.61億元），較去年同期增長約14.5%。本集團三片罐知名客戶為紅牛、養元、伊利、銀鷺及露露等。

方圓罐

本集團方圓罐產品主要用於各種化工油漆、塗料、小包裝油脂等產品的包裝。2018年，本集團對內推進新工藝、新技術的推廣運用，持續降本增效，對外強化新客戶開發與價格管理，實現銷售業績的快速提升，年內方圓罐業務銷售收入約人民幣2.54億元（2017年：約人民幣2.20億元），較去年增長約15.5%。本集團方圓罐的知名客戶包括威士伯集團、阿克蘇諾貝爾、嘉寶莉、富思特和益海嘉里等。

印塗鐵

本集團印塗鐵產品主要用於各種禮品糖果盒、食品、化工、瓶蓋、電池和其他電子電器產品（如電飯煲等），也用於滿足自身製罐（如奶粉罐、三片飲料罐等）及金屬蓋（旋開蓋、皇冠蓋）產品生產的配套需求。2018年，本集團印塗鐵生產總量較去年同期增長約6.2%，受限於集團自配套需求的增長，印塗鐵業務對外銷售收入約為人民幣3.11億元（2017年：約人民幣3.50億元），較去年同期下降約11.1%。本集團印塗鐵知名客戶有奧瑞金、蘇泊爾、老干媽、東山電池、松下等。

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鋁製包裝

本集團鋁製包裝產品採用鋁材為主要生產原材料，主要包括兩片飲料罐（兩片罐）、單片罐。鋁製包裝產品具有生產自動化程度高，產品可完全回收利用等特點，是近幾年公司重點發展的業務之一。

2018年，鋁材價格保持高位運行，但是自三季度以來出現小幅下調。國內兩片罐行業需求持續穩步增長，然而新增產能有限，行業供求格局日益改善。本集團推進兩片罐併購新產能的穩步釋放，打造多罐型供應能力，應對市場變動，調整訂單結構，積極關注海外拓展機會。同時，本集團繼續推進單片罐生產效能提升，鋁製包裝產品銷售收入持續增長。2018年，本集團鋁製包裝銷售收入約為人民幣24.61億元（2017年：約人民幣21.84億元），較2017年上升約12.7%，佔整體銷售約37.4%（2017年：約36.5%）。2018年鋁製包裝業務毛利率約為16.4%（2017年：約16.2%）。

兩片飲料罐（兩片罐）

兩片罐產品主要用於啤酒、碳酸飲料和茶飲料等產品的包裝。2018年以來，市場需求總量繼續保持增長，產品多樣化需求趨勢突顯，然而新增產能有限，產線換模調整頻率提升，行業供需情況漸趨平衡。同時，隨着整合有序開展，整體兩片罐行業健康發展。本集團收購的海寧紀鴻新產線調試工作穩步實施，於2018年下半年逐步釋放產能，滿足市場需求。本集團亦密切關注海外市場機會，2018年12月12日，本集團下屬公司與嘉興豪能訂立框架協議，計劃成立合資公司，在比利時建設兩片罐工廠，為當地啤酒及飲料客戶提供優質產品與服務。2018年，本集團兩片罐業務實現銷售收入約人民幣22.80億元（2017年：約20.25億元），較去年增長約12.6%。本集團兩片罐的知名客戶為雪花啤酒、可口可樂、百威英博、青島啤酒及加多寶等。

單片罐

單片罐產品主要用於日化用品、啤酒和碳酸飲料、醫藥產品的包裝。本集團持續進行在對細分市場的研發投入，加強與行業領導企業的戰略合作，在產量與交付能力進一步提升的同時，繼續關注新產品、新客戶開發。2018年，本集團單片罐產品銷售收入約為1.81億元（2017年：約為人民幣1.59億元），較去年同期增長約13.8%。本集團單片罐的知名客戶為百威英博、青島啤酒、嘉士伯及南洋藥業等。

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塑膠包裝

本集團生產的塑膠產品主要用於個人護理、日化產品及食品飲料等產品的包裝。2018年，本集團繼續優化客戶與訂單結構，提升生產效率、產品品質，並通過自動化水平提升，廠中廠模式推廣，進一步鞏固日化產品市場的優勢地位，並快速拓展食品類客戶市場，提升塑膠業務的收入，改善盈利能力。2018年，本集團實現塑膠包裝業務銷售收入約為人民幣6.08億元（2017年：約人民幣5.25億元），較去年同期增長約15.8%，約佔總收入的9.2%（2017年同期：約8.8%）。受新廠佈局前期投入及會計核算調整的影響，2018年塑膠包裝業務毛利率約為11.7%（2017年同期：約12.7%）。本集團塑膠包裝的知名客戶有寶潔、藍月亮、利潔時、海天、貝親及亨氏等。

2019年展望

2019年，人民生活水平持續改善，消費作為經濟增長的主要動力，將繼續推動中國經濟穩健增長。同時，相關行業供需逐漸平衡，競爭格局改善，原材料價格趨穩，企業也能夠提升高質量發展。本集團將緊密跟進客戶需求，深挖行業機會，鞏固優勢厚利產品的市場地位，拓展潛在市場；充分發揮多產品線協同，推進新產能釋放，繼續優化佈局，立足國內的同時，確保海外項目的穩健實施；妥善解決加多寶項目糾紛，以優質產品服務客戶，以良好的業績回饋股東支持。

財務回顧

截至2018年12月31日止年度，本集團的收入約人民幣65.91億元（2017年：約人民幣59.78億元），增加約人民幣6.13億元或10.3%；主要為產品銷售數量增長提升收入規模。2018年的毛利率約14.7%（2017年：約16.1%），較去年同期略有下降，主要受原材料價格上漲影響。

截至2018年12月31日止年度的淨利潤約人民幣2.65億元（2017年：約人民幣3.12億元），較去年同期下降約人民幣0.47億元或14.9%；主要原因是產品毛利率下降。

集團盈利

截至2018年12月31日止年度，本集團的除所得稅前利潤約為人民幣3.46億元（2017年：約人民幣4.10億元），較去年同期減少約人民幣0.64億元或15.6%。

財務費用約為人民幣90百萬元（2017年：約為人民幣44百萬元），較去年同期有較大增長，主要因融資規模增長。

所得稅項開支約人民幣0.80億元（2017年：約人民幣0.98億元）。2018年本集團的實際所得稅稅率約為23.3%（2017年：約24.0%）。

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流動資金、財務資源及資產負債比率

於2018年，本集團的資金來源主要為經營活動所產生的現金及銀行貸款。

	2018年12月31日 人民幣(百萬元)	2017年12月31日 人民幣(百萬元)
資產淨額	5,249	5,292
現金與現金等價物	894	711
借款總額	4,093	3,248
本公司股本持有人應佔權益	4,897	4,976
流動比率	1.1	1.5
資產負債比率*	65.3%	51.0%

* 資產負債比率按貸款淨額除以本公司股本持有人應佔權益計算，其中貸款淨額為貸款總額減去現金與現金等價物。

於2018年12月31日，本集團的資產淨額約為人民幣52.49億元（2017年12月31日：約人民幣52.92億元）。本公司股本持有人應佔權益約人民幣48.97億元，較截至2017年12月31日約人民幣49.76億元略有下降。

截至2018年12月31日的流動比率和資產負債比率分別為約1.1和約65.3%（2017年12月31日：分別約1.5和約51.0%）。於2018年12月31日，流動比率約1.1，與同期下降約0.4，主要是部份銀行貸款將於一年內到期。資產負債比率從於2017年12月31日約51.0%增加至於2018年12月31日的約65.3%，主要是由於本公司的銀行貸款增加所致。計息銀行貸款於2018年12月31日為約人民幣40.93億元；於2018年12月31日及2017年12月31日，本集團並無因獲取未償還的銀行貸款而予以抵押的資產。

資本開支、承擔及或然負債

截至2018年12月31日止年度，本集團資本性開支約為人民幣6.58億元，資本開支分別如下：

	人民幣 百萬元	佔資本開支 百分比
收購新公司及相關投資款項	120	18.2%
投資一家合營公司	78	11.9%
馬口鐵項目	94	14.3%
兩片罐項目	148	22.5%
鋼桶項目	67	10.2%
塑膠項目	68	10.3%
其他設備購置	83	12.6%
合計	658	100.0%

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本集團於2018年12月31日根據下列期間到期之不可撤銷經營租約須支付之未來最低租金總額如下：

	2018 人民幣千元	2017 人民幣千元
一年內	5,510	4,624
第二至第五年（包括首尾兩年）	6,959	185
第五年之後	243	-
	12,712	4,809

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於2018年12月31日，本集團之資本承諾如下：

	2018 人民幣千元	2017 人民幣千元
有關已訂約但未撥備的：		
物業、廠房及設備	514,337	361,417
應付一家合營企業之資本出資	1,122,759	1,200,935

於2018年12月31日，除上述外，本集團並無其他重大承擔及或然負債。

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外匯風險

本集團主要營運於中國，除部份以美元及港元計值之銀行借款和存款外，大部份資產、收入、款項及現金結餘均以人民幣結算。董事認為匯率波動對公司的業績無重大的影響。

人力資源

截至2018年12月31日，本集團有6,743名全職僱員（2017年：6,488名），當中約1,815名為工程師及技術人員或具有高等教育背景的僱員。下表載列於2018年12月31日本集團按職能劃分的僱員數目：

職能	僱員數目	佔僱員 總數的百分比
管理及行政	886	13.2%
銷售及營銷	259	3.8%
研發技術及工程	798	11.8%
生產及質量控制	4,800	71.2%
合計	6,743	100.0%

董事及高級管理
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截至2018年12月31日，本集團員工總成本約為人民幣6.26億元，去年同期為人民幣5.72億元。本集團根據員工的崗位表現，區域工資水平及行業市場情況等來核定僱員薪酬。本集團中國內地的員工福利包括養老保險、醫療保險、失業保險、生育及工傷保險和住房公積金等。除中國法律要求外，本集團自2009年1月1日起亦自願認繳一項年金計劃，該計劃是本集團為僱員達到若干年歲後的利益而設。本集團香港的員工福利包括強制性公積金、人壽保險和醫療保險。

重大風險及不確定性

為了實現業務穩健經營，本公司管理層高度關注公司經營可能面臨的風險因素，依託關鍵風險指標，經過評估和分析，本公司可能面臨的風險主要包括：

1. 宏觀調控帶來的經營風險：

由於宏觀政策調控，對下游企業產生一定的影響，會間接影響包裝企業（包括本集團）的銷售及利潤。

2. 原材料價格及匯率波動帶來的經營風險：

原料成本在生產成本中佔比較高，因此，原料價格的波動對利潤產生一定的影響。

3. 市場競爭風險：

本產業集中度較低，行業內具有一定規模和實力的企業均以進一步擴大產銷規模、最大化市場佔有率為主要目標之一，市場競爭激烈。

4. 食品安全風險：

由於產品的食品安全性能未達到國家或行業的安全標準造成客戶方的食品安全問題，進而發生風險，出現退貨或金額損失。

5. 質量風險：

由於不能滿足法規標準或與產品的質量、性能相關的客戶需求導致的批量質量問題，產生批量的廢品或庫存，造成損失。

仲裁

誠如本公司日期為2018年7月6日及2018年7月9日之公告所披露，本公司間接全資附屬公司中糧包裝投資有限公司（「中糧包裝投資」）與王老吉有限公司（「王老吉公司」）、智首有限公司（「智首」）及清遠加多寶草本植物科技有限公司（「清遠加多寶草本」）於2017年10月30日訂立增資協議（「增資協議」）（有關載情載於本公司日期為2017年10月30日之公告及日期為2017年11月30日之通函）。然而，因王老吉公司尚未按增資協議履行其應向清遠加多寶草本注入加多寶商標作為實物出資之承諾，中糧包裝投資已於2018年7月6日向香港國際仲裁中心就相關事宜對王老吉公司、智首及清遠加多寶草本提出仲裁申請（「仲裁」）。於本報告日期，上述仲裁申請並無重大進展。經考慮法律意見及仲裁屬初步階段，董事會認為，正在進行的仲裁於現階段不太可能對本集團產生重大不利財務影響。於本報告日期，清遠加多寶草本已根據增資協議成立董事會，董事會現時由三名成員組成，其中一名由智首委任、一名由中糧包裝投資委任，而另一名則由王老吉公司委任。於2018年8月舉行的清遠加多寶草本董事會會議上，代表智首及王老吉公司的董事以本集團與智首、王老吉公司及清遠加多寶草本進行仲裁為由表決

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反對有關派發承諾股息的決議案。因此，概無承諾股息根據香港財務報告準則確認。除指示代表中糧包裝投資的董事於上述清遠加多寶草本會議上表決贊成有關派發承諾股息的決議案外，中糧包裝投資亦在清遠加多寶草本於2018年8月舉行的股東大會上要求派發承諾股息，並在仲裁期間向清遠加多寶草本提出書面要求，惟未獲回覆。目前，本集團正試圖循仲裁追討承諾股息。倘本集團就賠償申索獲裁定勝訴，本集團將可收回覆蓋承諾股息的金額。並無於截至2018年12月31日止年度本集團綜合財務報表就仲裁計提撥備，惟本公司將知會股東有關該仲裁之進展。

管理層對保留意見的看法

誠如本年報第166至173頁所披露，由於本公司核數師安永會計師事務所（「安永」）未能取得本集團投資清遠加多寶草本（於2018年12月31日賬面值為人民幣1,209,099,000元）的相關可靠歷史財務資料以評估本公司管理層進行減值評估時採用的假設，故安永就清遠加多寶草本減值評估（「減值」）發表保留意見。就進行評估而言，安永須取得並考慮其認為必要的一籃子因素、資料及文件，但因安永並無獲委任為清遠加多寶草本的核數師，其可得相關資料有限。

雖然安永並無充足的可靠歷史財務資料評估減值，但經考慮下列因素後，管理層認為減值並非必要：

1. 仲裁及訴訟的裨益

雖然由於仲裁及由本集團於2018年8月31日就保留王老吉公司在中國擁有的加多寶商標而向王老吉公司提出訴訟申請（「訴訟」）的聆訊尚未展開，本公司法律顧問現階段未能就仲裁及訴訟的預計結果提供法律意見，但管理層對整體進展保持信心，且預期仲裁及訴訟的結果理想。

於2018年6月至2019年3月期間，管理層與仲裁法律顧問共舉行9次會議。經過本集團與法律顧問多次商討及分析後，決定根據個案的情況、協議以及適用法律及法規提出仲裁申請。管理層認為本集團對仲裁的觀點在事實及法律方面均符合合約精神，且具備合法性及合理性。仲裁目前正按程序頒令所訂立的時間表進行。根據本公司法律顧問的實際經驗，管理層相信，現階段並無出現出乎預期的不合理情況而可能對該本公司個案產生不利影響。

於2018年6月至2019年3月期間，管理層與訴訟法律顧問共舉行12次會議。為及時保留加多寶商標並保障本集團的合法權益，本集團經與法律顧問多次分析個案情況以及法律及法規後，已向廣東法院提出股東索償，要求王老吉公司根據日期為2017年11月30日的清遠加多寶草本股東大會決議案履行注資責任，並認為在中國進行訴訟可針對案件在中國與香港法律及仲裁規則上的訴訟人、訴訟索償、責任承擔及法律關係中的差異。經審議該索償後，廣東法院認同本集團的觀點，駁回王老吉公司就司法管轄權提出的反對。雖然王老吉公司已就反對司法管轄權提出第二次索償，但根據本公司法律顧問的實際經驗、全面分析及法律理據，管理層對王老吉公司提出的第二次索償結果及訴訟結果感到樂觀。

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2. 加多寶集團的財務資料

鑒於王老吉公司有責任按增資協議安排將加多寶商標注入清遠加多寶草本，加多寶商標更新價值與清遠加多寶草本減值評估相關，而本集團須就2017年就投資清遠加多寶草本時編製的加多寶商標估值報告（「2017年估值」）編製更新版以作減值評估之用。然而，由於加多寶商標擁有人王老吉公司、智首及彼等之聯屬公司（統稱「加多寶集團」）為本集團仲裁及訴訟的對立方，導致各方未能合作提供加多寶商標擁有人授權重新評估加多寶商標，因此未能編製2017年估值的更新版。

由於本集團未能取得2017年估值更新版，管理層轉而考慮加多寶集團於2019年3月初就減值評估提供的財務資料，包括清遠加多寶草本及加多寶集團（即加多寶商標擁有人，其財務資料在一定程度上可反映加多寶商標的價值）的損益表（「加多寶財務資料」）。

根據增資協議，中糧包裝投資及王老吉公司分別須向清遠加多寶草本注入人民幣20億元及人民幣30億元。該注資包括清遠加多寶草本的(i)註冊資本出資及(ii)資本公積出資。於本報告日期，清遠加多寶草本的出資狀況如下：

股東	註冊資本 (百萬美元)	分佔	實繳資本 (百萬美元)	分佔
		註冊資本 百分比 (%)		實繳資本 百分比 (%)
智首	40	23.55	40	43.51
中糧包裝投資	51.94	30.58	51.94	56.49
王老吉公司	77.91	45.87	0	0
總計	169.85	100.00	91.94	100.00

於2018年12月31日及直至本報告日期，中糧包裝投資已向清遠加多寶草本出資人民幣877.24百萬元^(附註)，其中人民幣343.64百萬元（約51.94百萬美元）全數用作清遠加多寶草本的註冊資本出資，另人民幣533.60百萬元用作清遠加多寶草本的資本公積出資。另一方面，王老吉公司尚未對清遠加多寶草本作出任何資本出資。儘管王老吉公司尚未繳付其於清遠加多寶草本的註冊股本，惟根據中國法律及清遠加多寶草本的公司章程，股東可行使的投票權取決於該股東於本公司的註冊資本的比例，而不論有關註冊資本出資是否已繳付。因此，根據工商登記及清遠加多寶草本的公司章程，清遠加多寶草本計入中糧包裝投資擁有30.58%權益的合營企業入賬。

附註：

人民幣877.24百萬元不包括本集團根據增資協議對清遠加多寶草本進行實物出資而供應的鋁製飲料罐（計入「其他非流動應收款」）價值人民幣331.9百萬元。由於該實物出資因仲裁程序仍在進行而尚未經估值，且清遠加多寶草本股東尚未同意將上述實物出資納入估值報告，故其未能計入對清遠加多寶草本的股本出資。

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故此，由於清遠加多寶草本未能計入本公司旗下附屬公司入賬，且安永並非清遠加多寶草本及加多寶集團的核數師，及因清遠加多寶草本的其他股東（均為本集團仲裁的對立方）並未授權本公司及安永作全面查閱，故本公司及安永僅可對清遠加多寶草本的財務記錄作有限度查閱。因此，由於本集團取得的清遠加多寶草本財務資料乃由加多寶集團編製，且安永並非清遠加多寶草本及加多寶集團的核數師，因而未獲授權全面查閱清遠加多寶草本的財務記錄，亦無法以任何形式查閱加多寶集團的財務記錄，故根據香港審核準則（「香港審核準則」），安永未能在進行減值評估時將清遠加多寶草本財務資料採納為可靠歷史財務資料。

雖然加多寶財務資料由加多寶集團編製，加上加多寶集團並非公眾公司，無法循公開渠道查閱其經審核財務資料，導致本集團無法核證加多寶財務資料的內容，但管理層並無任何明確理由質疑其內容，並認為在欠缺2017年估值更新版的情況下，加多寶財務資料屬評估減值必要性的重要資料。

企業管治報告

清遠加多寶草本主要從事向加多寶集團成員公司供應濃縮液、鋁製飲料罐及其他涼茶產品原材料。由於王老吉公司未能根據增資協議履行向清遠加多寶草本注入加多寶商標作為實物出資的責任，本集團於2018年5月中止向清遠加多寶草本供應鋁製飲料罐。除本集團作出實物出資外，各方於2018年10月經磋商後達成和解，同意本集團向清遠加多寶草本收取全數訂金後，方會為清遠加多寶草本生產鋁製飲料罐。本集團相信，此措施可助控制信貸風險，亦可儘快恢復清遠加多寶草本及加多寶集團的營運。除該中止事項外，本集團亦根據鋁製飲料罐框架協議向清遠加多寶草本供應鋁製飲料罐，鋁製飲料罐框架協議一直如常生效。截至2018年12月31日止年度，清遠加多寶草本僅自本集團購入鋁製飲料罐，購買量不低於加多寶集團對鋁製飲料罐每年需求的70%。根據清遠加多寶草本向本集團下達的鋁製飲料罐購買訂單、本公司與加多寶集團雙方管理層的會晤及面談以及本集團獲得的其他資料，管理層相信清遠加多寶草本的業務如常營運。

環境、社會及管治報告

截至2018年12月31日止年度，清遠加多寶草本錄得收入及淨虧損分別約人民幣304百萬元及約人民幣7百萬元。該淨虧損包括因物業、廠房及設備項目於收購日期的公平值及賬面值差額，導致折舊開支（扣除稅項影響）增加約人民幣9百萬元的調整所致。撇除該調整，清遠加多寶草本於截至2018年12月31日止年度錄得純利約人民幣2百萬元。

對比加多寶財務資料與本集團於2017年就投資進行主要交易時取得的加多寶集團財務資料，管理層發現加多寶集團的營運表現已逐步改善。此外，誠如加多寶財務資料所示，經審閱加多寶集團的實際營運表現及加多寶集團向本集團下達的購買訂單金額後，管理層認為加多寶集團應能維持日常營運，且具備充足資金滿足日常營運所需。另外，本集團亦已與加多寶集團的管理層進行多輪會議及面談，以了解其營運狀況（包括加多寶集團的銷售策略、僱員及削減開支措施等）。基於本集團所得資料，本集團認為加多寶集團的業務有所改善，因此加多寶商標於截至2018年12月31日的公平值不太可能與2017年估值的公平值出現重大差異。

董事及高級管理人員簡介

董事會報告

根據香港審核準則，由於安永未能取得可靠歷史財務資料證明管理層就減值評估的假設，故管理層對安永在本集團截至2018年12月31日止年度綜合財務報表的核數師報告（「核數師報告」）中作出保留意見表示理解並予以接納。然而，由於管理層於釐定減值的必要性時並非遵照香港審核準則，且可全面考慮所有可供考慮的因素及資料（包括安永未能採納的該等資料），故管理層達致減值並非必要的意見，而安永審核減值評估時則存在範圍限制。

由於保留意見源於安永評估本集團於清遠加多寶草本的投資減值時獲提供的可靠資料有限，且因仲裁而未能提供有關可靠資料，因此本公司認為保留意見可隨著仲裁結束或達成和解得以調解。

本集團將繼續訴諸仲裁。經取得各方意見及根據適用仲裁規則，仲裁庭將首日聆訊暫定於2019年7月8日，而仲裁裁決則很可能在聆訊完結後數月內頒佈。倘仲裁庭裁定本集團勝訴，並頒令將加多寶商標注入清遠加多寶草本，則本集團將接受相關裁決並加以執行。

除仲裁外，本集團亦會積極與加多寶集團溝通及商討，探討以其他措施達成和解的可能性，藉此縮短解決爭議的時間。

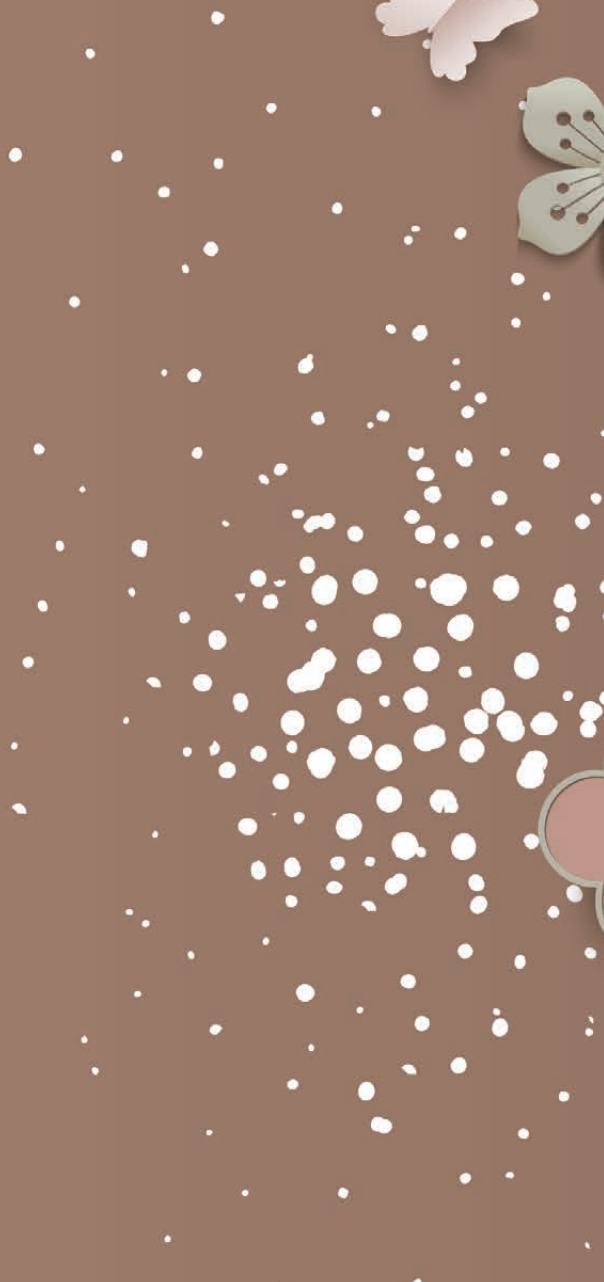
有見及仲裁的預期時間表，且基於並無發生有關仲裁的不可預見事件或不可抗力事件，本公司預期保留意見將從下年度核數師報告中刪除。

審核委員會對保留意見的看法

經審議加多寶財務資料及管理層所匯報的工作內容後，並考慮到自本公司公佈2018年中期業績以來，本集團並無注意到或獲告知任何投資的不利進展，審核委員會對管理層經計及執行董事及管理層對(1)加多寶集團營運狀況的理解；(2)仲裁及訴訟的分析；及(3)解決有關投資問題的建議考慮後認為減值並非必要的觀點亦無異議。

此外，由於安永並無獲提供清遠加多寶草本的相關可靠歷史財務資料，以供評估管理層就減值評估採納的假設，故審核委員會對安永在核數師報告作出的保留意見基準表示理解並予以接納。

企業 管治報告

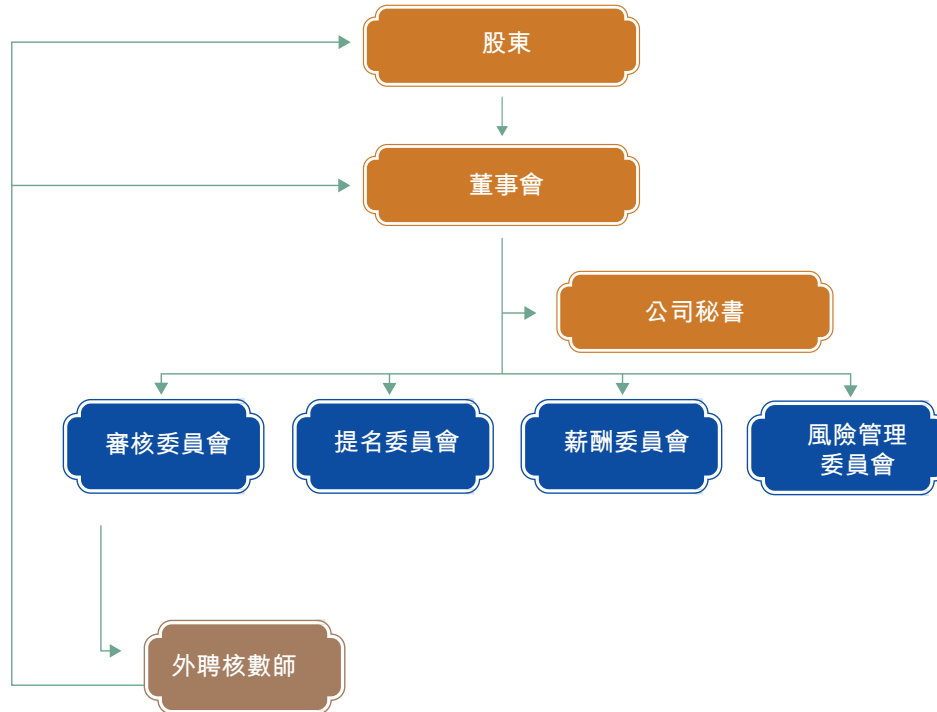




企業管治報告

管理層論述及分析

企業管治架構



企業管治報告

環境、社會及管治報告

董事及高級管理人員簡介

董事會完全知悉企業道德對經營成功公司之重要性，並相信良好且穩健之企業管治架構使本公司得以在招攬及挽留優秀人才方面享有優勢，提升顧客之忠誠度及加強與供應商之關係，維持作為綜合消費品包裝產品之領先生產商之地位。於年內，本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企業管治守則」）內所有守則條文作為其本身之企業管治守則。董事認為自本公司股份於2009年11月16日於香港聯合交易所有限公司（「聯交所」）主板上市起，除已於本年報中所披露者外，本公司一直遵守企業管治守則所載之守則條文。

董事會將繼續不時檢討及監察其現時之企業慣例及本公司之程序，並會維持並進一步提升本公司之企業管治常規水平，以確保具有正式及具透明度的程序，以保障及盡量提升現時及潛在股東、投資者、僱員、業務夥伴及公眾之整體利益。

董事進行證券交易之標準守則

本公司採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。經向全體董事作出特定查詢後，全體董事確認於截至2018年12月31日止年度內，彼等已遵守標準守則所載的標準。

董事會報告

董事會

董事會組成

董事會負責領導及監控本集團之業務經營，所作出之決策乃為符合本公司股東（「股東」）最佳利益及盡量提升股東回報。董事會負責制訂策略方向、監督經營活動及監察本集團整體財務及管理表現。年內及直至本年度報告日期，董事會由以下兩名執行董事、四名非執行董事及三名獨立非執行董事組成。

執行董事：

- 張新先生（主席）
- 張曄先生（總經理）

非執行董事：

- 余友枝女士
- 陳前政先生
- 周原先生
- 沈陶先生

獨立非執行董事：

- 鄭毓和先生
- 傅廷美先生
- 潘鐵珊先生

董事會的成員各有所長，而每名董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專門技術。

董事的履歷資料載於本年報第146至149頁。除本年度報告「董事及高級管理人員簡介」一節所披露者外，董事會及高級管理層之間並無財務、業務、家庭或其他重大或相關關係。

本公司已委任三名獨立非執行董事，佔董事會人數三分之一。其中一名獨立非執行董事鄭毓和先生擁有會計專業資格。獨立非執行董事的一項重要責任是確保及監察企業管治架構行之有效。彼等的參與提供足夠的制衡以保障本集團及其股東之利益，當中包括審閱本年報其他章節所述的持續關連交易。董事會確認，本公司已收到各獨立非執行董事根據上市規則第3.13條就其各自於截至2018年12月31日止年度內出具之獨立性確認函，並認為該等董事均具獨立性。

儘管鄭毓和先生及傅廷美先生均已於本公司擔任獨立非執行董事超過九年，惟董事會認為鄭毓和先生及傅廷美先生誠實守信，具獨立判斷能力及個性。彼等獨立於管理層，並不參與任何業務或涉及其他關係或可能嚴重影響其獨立判斷能力之情形。董事會認為，鄭毓和先生及傅廷美先生均滿足上市規則第3.13條之獨立性指引，並認為其獨立性不受其較長任職年限影響。

企業管治報告

董事會職責

董事會負責監督本公司業務及事務之管理，旨在盡量提升股東回報。董事會的主要職責如下：

- 決定所有企業事宜；
- 負責本集團業務管理、方向及監督；
- 確保本集團的財務申報及合規的有效性；
- 制定業務策略及業務規劃；
- 計劃及監督合併、收購或分拆和其他主要資本支出項目；
- 內部監控及風險管理；
- 評估本集團及高級管理層之表現；及
- 負責年度及中期財務業績及股東溝通。

董事會由本公司主席（「主席」）領導，負責領導和監控本公司、制訂整體戰略及政策、評估本集團及管理層的表現，並負責批准重大或根據上市規則須予以披露的事宜或交易。

管理層由本公司總經理（「總經理」）領導，負責本集團的業務和日常營運，以及落實董事會制定的戰略及政策。總經理負責監察及監督業務單位或職能部門的運作。

由董事會授予權力

為協助董事會履行職務及促進有效管理，董事會將其若干職能交予審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）、提名委員會（「提名委員會」）、風險管理委員會（「風險管理委員會」）及高級管理層負責。於2009年10月23日，董事會批准於股份在聯交所上市後成立審核委員會、薪酬委員會及提名委員會。於2016年12月22日，董事會批准成立風險管理委員會。董事會將日常營運、業務策略及日常管理的授權及責任委派予總經理及高級管理層。最終決策權仍由董事會掌控，惟四個委員會職責範圍另有規定除外。

主席及總經理

企業管治守則守則條文A.2.1條規定，主席與總經理之角色應有區分，並不應由一人同時兼任。目前，主席張新先生於年內負責本集團的業務策略及確保董事會有效營運。此外，主席之角色為鼓勵董事積極參與董事會活動及促進執行與非執行董事之間建立建設性關係。憑藉執行董事及高級管理層的支持，張新先生於年內確保董事及時獲得充足及完備可靠的資料。總經理張擘先生於年內主要負責本集團日常營運的行政管理及確保本集團的業務計劃及策略有效落實以達到本集團之目標。

管理層論述及分析

企業管治報告

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董事及高級管理人員簡介

董事會報告

董事之委任、重選和罷免

各董事訂立了為期三年的具體委任條款。

本公司組織章程細則（「公司章程」）規定，經董事會委任之任何董事任期僅至下一次本公司股東大會（不論屬填補董事會臨時空缺或於現有董事會增加成員）止，該等董事屆時有資格在會上膺選連任。此外，根據公司章程，在每次股東週年大會上，佔所有董事（不論執行或非執行）三分之一的董事須輪席告退及膺選連任，惟每名董事須至少每三年一次告退，而告退之董事可膺選連任。

本公司股東可於董事任期屆滿前隨時在按照本公司公司章程召開及舉行的任何股東大會上罷免該董事，而不論公司章程有任何相反規定或本公司與該董事有任何協議。

董事會會議及董事會常規

根據企業管治守則之守則條文第A.1.1條，董事會應定期舉行會議，一年至少舉行四次，約每季一次。根據公司章程，董事會已預定每年召開至少四次會議，約每季一次。董事會實際及定期舉行會議。截至2018年12月31日止年度，董事會舉行8次會議。董事根據公司章程親身或以電話方式出席會議。董事會議於年內的出勤情況概要如下：

	出席記錄 / 於年內舉行董事會會議總數*
執行董事	
張新先生	8/8
張擘先生	8/8
非執行董事	
余友枝女士	8/8
陳前政先生	8/8
周原先生	8/8
沈陶先生	8/8
獨立非執行董事	
鄭毓和先生	8/8
傅廷美先生	8/8
潘鐵珊先生	8/8

* 年內8次董事會會議中，有1次涉及關連交易，其中被認為存在重大利益的董事已放棄投票。

企業管治報告

管理層論述及分析

根據現時董事會常規，董事會會議之通告於會議舉行日期前送呈全體董事。一般而言，董事會定期會議通知至少14天前向全體董事發出，亦會就所有其他董事會會議發出合理通知。本公司之公司秘書（「公司秘書」）協助主席編製董事會會議議程及文件連同所有適當、完整及可靠之資料。各董事於董事會會議期間可要求公司秘書將任何事宜列入議程中。所有主要議程項目連同全面簡介文件，於每次董事會會議或委員會會議至少3天前寄予所有董事，以告知董事最新發展及本公司財務狀況，以便彼等作出知情決定。

股東大會

2018年股東週年大會（「2018年股東週年大會」）於2018年5月28日舉行。股東大會於年內的出席記錄概要如下：

	出席記錄／ 於年內舉行股東大會 總數
執行董事	
張新先生	1/1
張擘先生	1/1
非執行董事	
余友枝女士	0/1
陳前政先生	0/1
周原先生	0/1
沈陶先生	0/1
獨立非執行董事	
鄭毓和先生	1/1
傅廷美先生	1/1
潘鐵珊先生	1/1

守則的守則條文第A.6.7條訂明獨立非執行董事及其他非執行董事應出席會議並對本公司股東的意見有公正的了解。余友枝女士、陳前政先生、周原先生及沈陶先生因其他工作事務而無法出席本公司於2018年5月28日舉行的股東週年大會。

提供及獲得資料

所有董事可獲公司秘書提供意見及服務。董事會及董事委員會會議記錄由公司秘書保存，該等會議記錄於董事發出合理通知下可供董事於任何合理時間內查閱。任何董事均可要求提供獨立專業意見，而開支會由本公司承擔，以履行董事對本公司的職責。

環境、社會及
管治報告

董事及高級管理
人員簡介

董事會報告

重要事項通常透過書面決議方式通過，以便於該等事項在獲得批准前，所有董事（包括獨立非執行董事）均已知悉有關事項並可發表意見（如適用）。此外，董事必須申明其在董事會將予考慮並批准之事項或交易中之利益。倘主要股東或董事在董事會將考慮之事項中存在董事會釐定為屬重大之利益衝突，則本公司將不透過書面決議方式決議。獨立非執行董事會擔當積極角色，並就有關該事項之所有事宜作出獨立判斷。倘任何董事或其緊密聯繫人在所提呈的任何董事會決議案中擁有任何重大權益，則該董事不得於董事會會議上就批准彼或其任何緊密聯繫人於其中直接或間接擁有重大權益的任何合約或安排或事宜的任何決議案投票（亦不得計入法定人數內）（除公司章程另有規定外）。

董事及高級職員的責任保險

於2018/2019年度，本公司已為其所有董事及高級管理層安排董事及高級職員的責任保險。該等保險為企業活動所產生之相關成本、費用、開支及法律行動之責任提供保障。

董事責任

本公司確保每位新委任董事對本集團之營運及業務有適當的瞭解，以及完全知悉彼在法規及普通法、上市規則、適用法律規定及其他監管規定以及本公司之業務及管治政策下之責任。

非執行董事就本公司業務方向及策略規劃提供獨立見解及意見。非執行董事亦定期審閱本公司之財務資料及營運表現。

獨立非執行董事於董事會會議上擔當積極角色，並就重大事項或交易作出獨立判斷。彼等會於出現潛在利益衝突時，發揮主導作用。本公司有三名獨立非執行董事並佔董事會人數三分之一，符合上市規則第3.10(1)條的規定。於三名獨立非執行董事中，鄭毓和先生持有上市規則第3.10(2)條要求之會計或相關財務管理的專業知識之適當專業資格。

公司秘書

嚴銘統先生已獲委任為公司秘書，自2016年3月6日起生效，彼已遵守上市規則第3.29條有關專業培訓的規定。

企業管治職責

董事會負責履行守則條文第D.3.1條所載的企業管治職責。截至2018年12月31日止年度，董事會已檢討並討論本集團的企業管治政策，並對本集團的企業管治政策的成效感到滿意。

企業管治報告

董事的持續專業發展

所有董事均就本公司之營運表現、狀況及展望得悉每月最新情況，以讓董事會整體以及各董事履行其職責。此外，所有董事均認為要持續發展並更新本身知識及技能方可為本公司作出貢獻。下表概列個別董事於截至2018年12月31日止年度參與持續專業發展的情況。

	閱讀監管規定 更新資料	出席外界 研討會／活動
執行董事：		
張新先生	✓	✓
張曄先生	✓	✓
非執行董事		
余友枝女士	✓	✓
陳前政先生	✓	✓
周原先生	✓	✓
沈陶先生	✓	✓
獨立非執行董事：		
鄭毓和先生	✓	✓
傅廷美先生	✓	✓
潘鐵珊先生	✓	✓

審核委員會

於2009年10月23日，本公司批准於股份在聯交所上市後成立審核委員會，書面權責範圍內列明其權力及職責。審核委員會大多數成員為獨立非執行董事。

審核委員會於截至2018年12月31日止年度曾舉行3次會議。審核委員會成員的組成及出席記錄詳情如下：

審核委員會成員	出席紀錄／會議總數
鄭毓和先生(委員會主席)*	3/3
傅廷美先生*	3/3
周原先生^	3/3

* 獨立非執行董事

^ 非執行董事

公司秘書亦有出席會議。公司秘書草擬之會議記錄已於各會議後於合理時間內寄發予審核委員會成員。審核委員會成員概無為本公司現時核數公司之前合夥人。

董事會亦已採納緊遵企業管治守則之所載守則條文規定之審核委員會權責範圍，有關企業管治守則之詳情刊載於聯交所網站及本公司網站。

審核委員會之主要職責包括下列各項：

- 審閱並監督本集團之財務匯報程序及財務報告之完整性；
- 監察本集團風險管理及內部監控系統之有效性；及
- 考慮外聘核數師之獨立性。

截至2018年12月31日止年度，審核委員會已履行以下工作：

- 與高級管理層檢討本集團所採納的會計政策及常規，並討論了核數及內部監控系統及財務匯報之事項；
- 審閱本公司之財務報表及本公司中期報告及年報、本公司核數師給予管理層之函件，於截至2018年12月31日止年度內之核數範疇及費用；
- 審核持續關連交易；及
- 與外聘核數師會晤，討論截至2018年12月31日止年度內之核數範圍。

審核委員會亦推薦董事會續聘安永會計師事務所為本公司截至2019年12月31日止年度之外聘核數師，惟須於即將舉行之股東週年大會上獲取股東批准。

本集團高級管理層須向審核委員會提供充足和及時的支持以履行其職責。審核委員會亦知悉在其認為有必要時可尋求獨立專業意見，公司秘書可代為安排，費用由本公司支付。

提名委員會

於2009年10月23日，本公司批准於股份在聯交所上市後成立提名委員會。董事會亦已採用符合企業管治守則之守則條文規定之提名委員會權責範圍，並於聯交所網站及本公司網站刊登。提名委員會大多數成員為獨立非執行董事。

提名委員會的主要職責是(i)檢討董事會的架構、規模及組成，並就提出的任何變更向董事會作出建議；(ii)就獲提名出任本集團董事及高級管理層的人選向董事會作出建議；及(iii)評核獨立非執行董事的獨立性。

企業管治報告

管理層論述及分析

於截至2018年12月31日止年度，提名委員會已履行以下工作：

- 檢討董事會的架構、規模及組成，確保董事會具備均衡且符合本集團業務所需的技能、知識及經驗；
- 就2018年股東週年大會上的董事會重選進行推薦；及
- 評核全體獨立非執行董事的獨立性。

提名政策

提名委員會評估候選人是否適合作為董事會成員時，將參考多項因素，包括：

- (a) 信譽；
- (b) 所需的技能，知識，經驗，文化和教育背景，性別，年齡和其他素質，同時適當考慮董事會多元化的好處；
- (c) 擬議候選人可以在何種程度上對董事會的整體有效性做出貢獻，及與現有董事開展建設性的工作；
- (d) 擬議候選人作為董事的技能和經驗，以及他們如何提升董事會整體的效率和表現；
- (e) 擬議候選人現有職位的性質，包括董事職位或與本公司及或其董事的其他關係，以及因此而對其行使獨立判斷的能力可能產生的影響；及
- (f) 可能影響擬議候選人投入多少時間履行職責的因素。

上述因素只供參考之用，並非意在涵蓋所有因素，也不具決定作用。提名委員會具有酌情權，可決定提名任何其認為適當的人士。

董事會成員多元化政策

截至2018年12月31日止年度，董事會已採納董事會成員多元化政策，並已就實施政策所設定之所有可計量目標進行討論。本公司明白並深信董事會成員多元化的裨益。其致力確保董事會在技能、經驗以及視角的多元化方面達到適當的平衡，符合本公司業務所需。根據董事會成員多元化政策，所有董事會的委任將繼續以用人唯才為原則，並周詳考慮董事會成員多元化的裨益。甄選候選人時將以一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他方面）、技能及知識。最終決定將以用人唯才為原則並基於獲選候選人將為董事會帶來之貢獻而作出。

截至2018年12月31日止年度，提名委員會共舉行1次會議。於年內提名委員會成員的組成及出席記錄詳情如下：

提名委員會成員	出席紀錄／會議總數
張新先生 (委員會主席) ^	1/1
鄭毓和先生*	1/1
傅廷美先生*	1/1

^ 執行董事

* 獨立非執行董事

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董事會報告

薪酬委員會

於2009年10月23日，本公司批准於股份在聯交所上市後成立薪酬委員會，書面權責範圍內列明其權力及職責。薪酬委員會大多數成員為獨立非執行董事。

薪酬委員會的職責主要是(i)對本公司董事及高級管理人員的全體薪酬政策及架構向董事會提出建議，並確保任何董事或其任何聯繫人不得參與釐定其本身的薪酬；(ii)釐定董事及高級管理人員的特定薪酬待遇；及(iii)因應董事會議決的企業方針及目標而檢討及批准以表現為基準的薪酬。薪酬委員會可於其認為有需要時尋求獨立專業意見，費用由本公司支付。

於截至2018年12月31日止年度，薪酬委員會已履行以下工作：

- 檢討及討論本集團的薪酬政策以及本公司董事及高級管理人員的薪酬待遇；及
- 向董事會建議執行董事、非執行董事、獨立執行董事和本集團高級管理人員的薪酬。

有關各董事於截至2018年12月31日止年度的薪酬詳情載列於財務報表附註8。

薪酬委員會權責範圍緊遵企業管治守則之守則條文規定，並於聯交所網站及本公司網站刊登。

本公司人力資源及行政部向薪酬委員會提供行政支持及執行經核准之薪酬待遇及其他人力資源相關決定。

截至2018年12月31日止年度，薪酬委員會舉行1次會議。於年內薪酬委員會之成員之組成及出席記錄詳情如下：

薪酬委員會成員	出席紀錄／舉行 董事會會議總數
傅廷美先生(委員會主席)*	1/1
陳前政先生^	1/1
潘鐵珊先生*	1/1

* 獨立非執行董事

^ 非執行董事

企業管治報告

管理層論述及分析

風險管理委員會

風險管理委員會於2016年12月22日成立，董事會已為風險管理委員會採納符合企業管治守則所載守則條款之職權範圍，並於聯交所及本公司網站發佈。

風險管理委員會的主要職責為(i)檢討本集團的企業風險管理架構，風險評估及風險管理指引、政策及流程；(ii)檢討本集團的主要風險及關鍵新興風險，及緩和該等風險的控制措施；及(iii)檢討企業風險管理職能的有效性。

於截至2018年12月31日止年度，風險管理委員會已履行以下工作：

- 檢討及討論整體風險管理框架以及風險評估及風險管理的指引、政策及程序；
- 檢討及討論本集團之主要風險，如信貸風險及市場風險；及
- 檢討整體風險管理功能之成效。

企業管治報告

截至2018年12月31日止年度，風險管理委員會舉行2次會議。於年內風險管理委員會之成員之組成及出席記錄詳情如下：

風險管理委員會成員	出席紀錄／舉行 董事會會議總數
潘鐵珊先生 (委員會主席) (註1)	2/2
沈陶先生 (註2)	2/2
張曄先生 (註3)	2/2

環境、社會及
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註：

1. 獨立非執行董事。
2. 非執行董事。
3. 執行董事。

董事及高級管理
人員簡介

問責性及審核

董事及核數師的確認

審核委員會及董事會已審閱本集團截至2018年12月31日止年度之綜合財務報表。董事確認，彼等的責任乃編製本集團之賬目、財務報表、表現狀況及展望。管理層向董事會提供資料及解釋，以讓董事會可於提呈董事會審批之前對財務及其他資料作出知情評估。董事相信，彼等已選用及貫徹一致地應用適當的會計政策、作出審慎及合理的判斷及估計，並確保按「持續經營」基準編製財務報表。

董事會報告

本公司核數師安永會計師事務所確認其於截至2018年12月31日止年度經審核財務報表之獨立核數師報告之報告職責。

風險管理及內部監控

董事會有責任維持合適及有效的風險管理及內部監控制度，以保障本集團及股東的利益，並定期檢討及監督內部控制及風險管理制度的成效，以確保制度完備充分。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本集團的風險管理及內部監控制度包括有關財務、運營和合規控制以及風險管理的程序，以及有明確責任及授權的完善組織架構等。各部門負責其日常運作，並須執行董事會不時採納的業務策略及政策。

本公司內部審核部門及風險管理部門支持董事會、審核委員會及風險管理委員會審閱風險管理及內部監控系統的有效性，並於本年度遵循年度計劃履行其職能，並於會上向董事會提呈彼等有關評估結果的報告。審核委員會及風險管理部門就本集團風險管理及內部監控系統的效力作出獨立檢討，並向董事會提出彼等的建議。董事會負責檢討內部審核報告及批准由管理層製訂的政策及程序。

為加強本集團之內幕消息控制系統，並確保其公開披露事項之真實性、準確性、完整性與及時性，本集團亦採納及實施一套內幕消息程序。本集團已不時採納若干合理措施，確保存在適當保障以防止違反有關本集團之披露規定，包括維持具備明確組織架構、權力規限以及根據本公司指引及監管規定之報告方式及責任之良好監控環境。設立合適監控措施，促進處理及傳播內幕消息。僅有需要知悉有關事宜之限定數目僱員可查閱有關資料。掌握內幕消息之僱員充分熟知彼等之保密責任。

經與本集團管理層、審核委員會成員、風險管理委員會成員及外部獨立核數師討論，董事會對本集團的風險管理及內部監控制度及程序於截至2018年12月31日止財政年度的成效進行了檢討和評估。董事會亦會研究有關風險管理及內部監控事宜的重大調查結果及管理層對該等調查結果的回應。

董事會認為，現有的風險管理及內部監控制度充分而且有效。董事會已審核本集團會計及財務報告職能人員的資源、資格及經驗以及彼等的培訓方案及預算，並對上述的充足性感到滿意。

董事會亦評估本集團內部審核職能及外部審核程序的有效性，並透過其審核委員會的工作而令其本身信納，內部審核職能配備充足資源，並就本公司所面臨有關風險方面有效地向董事會提供保證，且外部審核程序具效益。

此外，本集團亦實施SAP系統以提升運營處理能力及改善職責分工及更好的內部監控系統。

企業管治報告

核數師酬金

於截至2018年12月31日止年度內，本公司核數師安永會計師事務所之酬金分析載列如下：

所提供之服務	已繳／應繳費用 人民幣千元
核數服務	1,950
非核數服務	800
合計	2,750

與股東溝通

董事會知悉與本公司股東及投資者維持清晰、及時及有效溝通的重要性，亦知悉與投資者之有效溝通乃建立股東信心及吸引新投資者的關鍵。

本公司主要透過如下方式與股東溝通：

- (i) 舉行股東週年大會，藉以提供讓股東直接與董事會溝通機會；
- (ii) 本公司根據上市規則之規定刊發之公告、年報、中期報告及／或通函，以及新聞稿，以提供本集團最新資料；
- (iii) 定期更新本公司網頁及於本公司網頁及聯交所網頁及時披露資料；
- (iv) 不時與分析師及基金經理舉行面對面會議或電話會議。本公司與機構股東定期對話，財務業績發佈時亦會舉行發佈會。歡迎股東及投資者瀏覽本公司網站及透過本公司投資者關係部門提出詢問，該部門之聯繫詳情載於本公司網站；及
- (v) 股東如對其持股量及享有股息的權利有任何疑問，可聯絡本公司的證券登記處香港中央證券登記有限公司。

管理層論述及分析

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董事會報告

股東權利

本公司擬於2019年6月3日（星期一）舉行之股東週年大會（「2019年股東週年大會」）乃為股東提供與本公司董事、管理層及外聘核數師見面及提出疑問的機會。於2019年股東週年大會上，股東週年大會主席及各審核委員會、風險管理委員會、薪酬委員會及提名委員會主席／成員均會出席回答股東之提問。

根據公司章程，本公司應分別於股東週年大會召開前最少21日前向股東發出通知，及於所有其他股東大會召開前最少14日前向股東發出通知。

根據公司章程，持有不少於已發行股份（附有於股東大會上投票之權利）十分之一之任何兩名股東可透過向董事會或公司秘書發出書面請求，要求本公司召開股東特別大會。書面請求中必須陳述舉行大會之目的。

股東可以向本公司寄發書面查詢，以向董事會作出任何查詢或建議。聯絡詳情如下：

地址： 香港銅鑼灣告士打道262號中糧大廈33樓
傳真： (852) 2833 0554

為免生疑問，股東須將已簽署的書面要求、通知或聲明或查詢（視情況而定）的正本存放於及郵寄或傳真至上述地址或傳真號碼，並提供彼等的全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

截至2018年12月31日止年度，本公司並無對其公司章程作出任何變動。公司章程的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考公司章程以取得有關其權利的詳情。

根據上市規則，所有在股東大會提呈的決議案均將以投票方式表決，且投票表決結果將緊隨有關股東大會召開後於聯交所網站(www.hkexnews.hk)及本公司網站(www.cofco-pack.com)刊登。

以投票方式表決

根據公司章程，於2019年股東週年大會上提呈之所有決議案將以投票方式表決。股東每持有一股股份即擁有一票。以投票方式表決之結果分別於會後宣佈以及於聯交所及本公司網站中刊登。

派付股息政策

本公司於考慮本公司的派息能力後將向股東宣派及／或建議派付股息，有關金額視乎（其中包括）其實際及預期財務業績、目前及未來之營運、流動資金水平、資本要求、合約及監管限制等因素。董事會可全權酌情決定是否派付股息，須經股東批准（如適用）。倘董事會決定建議及派付股息，則形式、頻率及數額將視乎影響本集團的實際財務業績、目前及未來之營運、流動資金水平、資本要求、合約、監管限制等因素而定。除中期及／或末期股息外，董事會亦不時考慮宣派特別股息。本公司會定期或於必要時審查並重新評估股息政策及其有效性。

環境、社會及 管治報告





環境、社會及管治報告

管理層論述及分析

本集團致力於成為中國綜合消費品包裝領導企業，專注於綜合消費品包裝產品的生產和銷售，在為社會提供安全環保的綠色包裝和高品質服務的同時，全心全意服務客戶、股東、員工。2018年，本集團嚴格落實中糧集團巡視整改工作，全面加強黨的政治建設和系統建設，堅持黨建促發展，黨建引領業績；本集團擁有領先的技術研發機構，主導和參與制訂多項包裝產品行業標準，擁有多項中國包裝技術專利，榮獲多項國際包裝大獎；擁有完善的產品質量控制體系和食品衛生安全管理體系，產品品質達到美國和歐盟標準；我們重視人才發展，落實員工關懷工作，維護職工權益，努力營造和諧的勞動關係。同時，本集團緊抓源頭控制、過程管控及末端治理，採用新技術、新工藝、新材料，實現節能減排，體現社會價值。

企業管治報告

2018年，本集團在繼續鞏固國內優勢行業地位的同時，積極探索海外項目拓展機會，攜手合作夥伴推進比利時兩片罐工廠的設立與準備，邁出國際化第一步。在強化履職待遇、業務支出合規性的基礎上，通過對費用的持續剛性管控，強化對標改善，降低銷管費用率水平。通過持續的資金集中管理、壓縮兩金等舉措，將資產負債率嚴格控制在管控目標內。同時優化佈局、提升規模、打造超級產品線，全年累計實現銷售收入持續增長，盈利水平相對平穩。

一、員工

(一) 員工職業成長與發展

本集團始終將人才發展作為重點工作，嚴格遵守國家和地方法律法規，構建和諧勞動關係。

對於員工招聘，本集團依據相關法律法規，建立了完善的招聘、晉升及解僱機制，規範員工招聘、晉升及解僱程序，以工作表現為基準，並嚴格遵守多元化及反歧視，招聘不受種族、性別、體能或宗教信仰影響，使員工招聘、晉升及解僱更為科學、合理、有效。本集團政策嚴禁僱用童工及強制勞工，所有業務均符合中國相關法例法規標準，並採取嚴厲措施及審核防範業務中出現此等情況。就本集團所知，本集團在招聘、晉升及解僱員工、反歧視、防止童工及強迫勞動方面並無任何不遵守相關法律法規的情況而對本集團造成顯著影響。

環境、社會及管治報告

董事及高級管理人員簡介

董事會報告

2018年度員工情況

類別		數目	百分比
按性別劃分	男性	4,522	67%
	女性	2,221	33%
按類別劃分	高級管理層	685	10%
	中級管理層	1,538	23%
	普通員工	4,520	67%
按年齡劃分	30歲以下	2,173	32%
	30-50歲	4,197	62%
	50歲以上	373	6%

2018年度員工流失率

類別		流失率
按性別劃分	男性	22%
	女性	9%
按年齡劃分	30歲以下	61%
	30-50歲	34%
	50歲以上	5%

因2018年期間本集團員工均在中國受僱，故本公司並無就其他情況及流失率按地區做出劃分。

本集團視員工為企業長足發展之根本，與員工共同規劃其職業發展，鼓勵員工在工作時間實現自我增值，激發員工創新創造活力，打造多元化團隊。如：實行員工職業發展「雙通道」，即「行政管理通道」和「專業技術通道」，並制定對應的職務評聘機制，定期進行管理崗位競聘和專業技術職務評聘，鼓勵員工發揮所長。為滿足員工需求，通過現場、電話及視頻多種方式結合開展內部培訓共計5,873次，5,032人次，18,070課時。

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2018年度員工培訓情況

類別	受訓百分比	每名員工受訓時數
按類別		
高級管理層	12%	169
中級管理層	8%	151
普通員工	80%	20

2018年，本集團在原有的培訓體系基礎上，開展了諸多符合自身業務特色的培訓項目。如HR人才隊伍建設培訓，針對人力資源職能能力的提升，組織開展HR系統提升班共6期，每期由各分公司人力資源負責人進行專項主題分享，並由報名參課的學員對課程分享進行打分評價，每期參與人數約30人次，分享主題涉及「新生代員工管理」、「一線員工及大中專應屆畢業生穩定性提高」、「培訓矩陣」等。馬口鐵精益生產培訓，為提升馬口鐵業務的生產綜合實力，打造生產系統培訓班，以找差距、補短板為目標，以高標準、嚴要求為標準，2018年組織開展生產管理提升班4期，涉及學員26名。塑膠技術骨幹培訓，針對塑膠吹瓶業務，2018年組織開展吹瓶技術培骨幹培訓2期，提升骨幹員工技能水平的同時，提高設備使用率。

「弘揚培育工匠精神，爭做良工巧匠」主題系列活動



馬口鐵管理提升班第四期培訓

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(二) 員工保障、激勵與關懷

本集團堅持遵循「按崗分配、突出能力和績效、兼顧公平及可持續發展」的薪酬分配原則；足額繳納各項法定社會保險、享受法定節假日等福利，根據政府要求及企業實際調整員工工資等。在假期方面，2018年本集團根據相關法規，結合內部實際，及時完善公司內部假期管理制度，明確假期類別及對應條件、假期審批手續和假期待遇等，保障男女員工平等、合法的休假權益。

在安全生產方面，本集團認真貫徹和嚴格執行及遵守國家、行業及地方政府有關安全質量等法規標準，致力於不斷健全安全生產管理體系，加強教育培訓，強化安全生產責任。如本集團以天津公司作為試點單位深化隱患排查治理、風險分級管控雙重機制，完善生產安全風險分級管控體系、隱患排查治理體系；為進一步加強現場安全管理，有效防範安全事故發生，制定了《中糧包裝現場安全管理十一項基本措施》，促進各分公司提升現場管理水平；組織開展叉車安全運行專項檢查，重點在叉車主體安全、駕駛員安全駕駛培訓、重點活動區域檢查等方面消除風險事故；對涉及三片罐、瓶蓋生產企業，明確指令性計劃，對各印塗前機進行防火防爆改造升級，提升印塗前機包房電氣隔爆等級，從設備設施上減少事故隱患與損失風險。全年未發生三級及以上的質量安全責任事故。



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2018年，為進一步提升員工的活力及凝聚力，本集團從多種角度出發，根據各類員工群體的特點設計相適應的主題活動，通過活動傳播本集團的價值和文化導向，傳遞積極向上的正能量。通過活動倡導員工愛本職、敢爭先、有作為、做貢獻的進取意志，激發員工的活力、增強凝聚感，豐富員工的生活內容。如「工作更高效、生活更快樂、運動更強健」職工趣味運動會、「國風」卡拉OK大賽、「健康生活、快樂工作」906毅行活動、小家屬開放日、工匠精神活動、「浪漫裱花芳華歲月」蛋糕裱花活動、「粽愛一生，為愛行動」端午粽情，感恩父親節系列活動。形式豐富，各具特色，營造了積極、進取、健康、陽光的工作生活氛圍。

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「國風」主題包裝好聲音卡拉OK大賽

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中糧包裝2018年度小家屬開放日活動

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為積極引導廣大員工追求健康向上的生活方式，豐富員工業餘生活，緩解工作壓力，提高身體素質，愉悅身心健康，讓員工以更飽滿的精神面貌投入到工作中。本集團組織開設各類藝術、娛樂、健身活動的活動，如「瑜你——with U」員工瑜伽培訓班、「洋溢陽光魅力，舞出青春旋律」員工拉丁舞蹈培訓班、「906釣魚俱樂部」、「906乒羽俱樂部」等。



「洋溢陽光魅力，舞出青春旋律」主題舞蹈培訓班



春季「瑜你——with U」瑜伽培訓特訓營活動



「健康生活、快樂工作」主題906毅行活動

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本集團切實保障員工切身利益，認真落實員工關懷工作。每年的春節、元旦之際，積極組織落實各單位工會開展扶貧解困送溫暖活動。2018年開展困難的職工慰問約300人次。在員工困難之時，及時給予幫扶。如昆山公司一名員工的妻子患急性髓系白血病，住院治療的高額費用成為員工家庭的沉重負擔。昆山公司黨支部了解情況後，聯合工會組織開展愛心募捐活動，向全體員工發出倡議，為員工捐款，同時，昆山公司也給予一定的慰問金，給予員工的家庭一些經濟上的幫助和精神上的支持，幫助他們走過人生的困難時期。

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(三) 員工溝通

2018年，本持續貫徹和深化黨的群眾路線教育實踐活動，深入基層，弘揚「忠良文化」的同時，更加注重與員工的溝通，主動聽取員工反饋，急員工之所急，想員工之所想。如：持續建設企業內網，及時發佈企業經營動態，打造多元化交流平台，同時設置廉潔從業窗口，接受員工的意見和監督，增強信息的溝通反饋；召開員工座談會，傾聽員工心聲，幫助職工解決實際困難，包括與優秀經理人面對面交流、新員工座談、老員工座談、膳食委員會座談、黨員座談、技師座談等，通過「心交心，面對面」的交流，拉近管理層與基層員工之間的距離，廣泛聽取員工心聲，解決員工工作生活中的困惑，有針對性地進行改善；同時，在與員工切身利益息息相關的制度和規定頒佈前，召開職工代表大會，公開徵求和收集員工意見和建議，切實做好員工服務工作。



五四青年節「906青年成長課堂」活動

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二、自主創新與節能環保

(一) 自主創新

1. 創新文化建設

本集團重視技術創新文化的建設，在「發奮圖強、銳意進取，努力將技術創新打造成中糧包裝的核心競爭力！」的精神指引下，本集團始終將研發創新精神貫穿於技術工作的各個環節。每年舉行技術創新大會，總結上一年度的創新工作，並且再鑄技術發展新的里程碑。分享和推廣技術創新的累累碩果，全面提升科技管理力度，更好地推動技術進步，為企業發展增添新動力。通過對技術創新項目的獎勵，對科技論文的精細研討，對優秀論文給予榮譽嘉獎，進一步激發和鼓勵廣大技術人員奮發圖強，激發技術創新新動力，提升企業技術創新能力，強化企業技術創新主體地位。

與此同時，本集團積極塑造具有自身特色的創新文化宣傳。內網門戶主辦了技術創新板塊，定期更新技術前沿、食品安全、項目管理、檢驗檢測、知識產權、貨架期等專業板塊，使之已成為內部技術人員技術創新的刊物平台。並且每季度發佈《包裝技術資訊》，主要在專利檢索、業界動態、創新產品、包裝安全及行業數據統計分析等幾大板塊，深入傳播行業先進資訊，進一步宣傳、推廣科技創新理念，為技術人員提供了思路拓寬和技術研討的新媒介，進一步宣傳、推廣科技創新理念，成為技術人員創意的源泉。

為加強技術競爭力，保護發明創造，本集團鼓勵技術人員在研發創新活動中申請相關發明的專利保護。通過多年的努力和積累，本集團保持着專利的領先性，體現本集團的技術水平和創新能力。2018年，為進一步激發、鼓舞技術人員的創新能力，本集團對具有核心價值、為公司創造良好效益的專利進行分級激勵。眾多舉措進一步加強了本集團自主創新文化的建設，鼓舞激勵了內部技術人員以更大的熱情投入到研發創新工作中。

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2. 創新項目及技術研發項目管理

(1) 創新項目

2018年度，本集團依據《中糧集團研發創新體系管理制度》、《中糧包裝技術創新管理辦法》，在中糧包裝研發創新體系的管控下，進一步完善研發項目管理流程，規範管理集團和包裝級項目。2018年組織實施研發創新項目20餘項，包括海天33止滑蓋新產品開發、SCHULER沖杯機送料系統創新優化、修邊機斷環實時檢測系統開發、南寧製罐單彩印提速技術創新、高安全性新型鋁瓶內塗工藝開發、基於鋁瓶縮頸加工的工藝研究、光學複合技術在金屬印刷上的研究應用、包裝快速原型技術平台開發等。研發創新項目涵蓋了節材節能、新品開發、食品安全等方面，項目管理實現全生命周期管理，大部份項目實施情況較好，並獲得了良好的經濟效益和社會效益。

(2) 技術研發項目

2018年本集團重點研發創新項目，如複合防偽印刷技術研發項目：利用透鏡原理，採用多種複合印刷技術，將水立方、煙花、蜂巢等多種特殊效果轉印在金屬印刷面，提升產品差異化和高端化水平。2018年採用該技術完成3個批次華美月餅盒產品生產，毛利增加3.5個百分點，客戶和市場反應良好；目前廈茶、美贊臣、攪菊等客戶已確定使用意向，將帶來良好的經濟效益。本集團首家開發應用金屬複合印刷防偽工藝，並獲得2018年包裝印刷行業技術創新產品金屬包裝類一等獎，為新客戶／新產品開發提供有力技術保障。

海天33止滑蓋新產品開發項目：33止滑蓋是一種全新的爪式旋開蓋高端產品，技術實現難度較大。本集團為此專門成立了由多部門組成的開發團隊，與玻璃瓶廠、海天公司三方緊密合作，經過一年多的努力，先後攻克了多個技術難點，順利地完成了項目開發任務，批量生產，得到了海天客戶的高度認可。全年完成33蓋銷售約1.6億只，收益在300萬元以上。

成都製罐SCHULER沖杯機送料系統創新優化項目：通過對整個SCHULER沖杯機送料系統的創新設計和優化改造，實現SCHULER沖杯效率和產能提升45%以上，保障了全線1600CPM乃至更高的生產線速需求，具有推廣價值，節能環保效益顯著。

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LED-UV印刷技術研究和應用項目：LED-UV是新一代UV固化技術，是UV固化的升級版，更節能更環保，是金屬印刷的發展方向。通過實驗室大量測試分析，確定材料各項性能和LED-UV光源以及燈管配置方案，並在番禺首次實現LED-UV印刷批量生產，食品安全和環境因素達標，產品性能符合要求；制定相關操作規範，為中糧包裝推廣應用做好準備。該項目的實施將實現零VOC、零臭氧排放，節電50%以上，未來在各利潤點推廣應用後將實現中糧包裝金屬印刷的進一步轉型升級，真正做到綠色節能環保。

(3) 專利情況，國家和行業標準制定

本集團積極推進知識產權的保護，2018年新申請專利25項（發明6項），授權19項（發明1項），累計授權專利269項，其中發明專利55項，並形成專利論文等知識產權發佈的核查機制。

2018年本集團主持或參與完成兩片罐、奶粉罐、金屬印刷等4項國家和行業標準送審稿修訂，已提交國家相關部門審批。「全國金屬印刷標準化研發試驗基地」申請已通過國家印刷標準委員會審批，待國家新聞出版總署批准實施，同時代表金屬包裝行業編製金屬印刷標準體系表和行業標準3年實施計劃，主持氣霧罐ISO標準，參與易撕蓋標準相關工作。

(二) 節能環保

1. 環境管理

2018年，本集團依據新頒佈的《環境保護法》等法規和中糧集團要求，制定並頒發《中糧包裝環境保護管理制度》，進一步規範本集團環保管理體系，系統性管理環境保護工作。並結合實際，制定了《中糧包裝全面排查治理生態環境保護問題工作方案》，組織全系統風險排查，2018年完成29家分公司生態環境保護問題排查，對發現的隱患切實落實有效整改。

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通過節能減排關鍵環節的技術創新，採用新型節能技術，不斷推進節能項目實施，使得本集團取得了良好的社會效益。2018年本集團實施節能環保項目項38項，包括節材技術、節能環保技術、UV印刷技術、自動化技術等研發創新項目，合計耗電總量約14,019萬度，節電208萬度；耗氣總量約1,935萬立方，節氣90萬立方。本集團十分重視節約及有效益用水，制定節能減排管理辦法，每月對各工廠用水量進行對標考核。通過節能減排指令性項目，形式實施兩片罐洗罐機節水、鋼桶昆山中水回用與無磷磷化等項目降低用水量。在求取適用水源上並無任何問題或困難，耗水總量約124萬噸，節水1.6萬噸。本集團二氧化碳總排放量為31.4萬噸，合計減少二氧化碳排放超1萬餘噸。其中重點項目成效，如番禺公司完成印刷廠烘房節能改造項目，年可節省天然氣40.5萬m³；天津製罐洗罐機節能改造項目，年可節約用電6萬千瓦時。中糧包裝廣州鋼桶、山東鋼桶、嘉興鋼桶，福建製罐、紀鴻包裝和成都製罐等分公司均獲得ISO14001環境管理體系認證。

2. 環境保護實踐

2018年，本集團所有分公司均對廢氣、廢水、固體廢棄物等從源頭、過程、處置等實施控制。危險廢物按嚴格按照國家規定要求委託有資質的第三方單位處置。同時在各分公司產品線內開展對標管理，減少危險廢物產生以及對周邊環境及天然資源的影響。2018年重點在福建、嘉興、廣州等地設置危險廢物暫存，進一步規範危險廢物暫存工作，並持續改進其有效性，落實企業的社會責任。本集團生產過程中消耗天然氣、電力、自來水，產生廢氣、廢水以及固廢等，為降低對環境及天然資源的影響，已制定並採取有效的管理措施。首先，根據國家相關法律法規要求及中糧集團《中糧集團節能環保管理規定》，結合中糧包裝實際，制定了《中糧包裝環境保護管理規定（試行）》和節能減排管理辦法，對新項目環境保護管理、污染物排放控制、污染防治與環境優化等進行了明確和規範。其次，將降耗指標納入年度責任書管理，每月對各工廠能耗進行對標考核，實施節能減排項目降低能耗；同時，設置廢水、廢氣處理設施，治理生產過程中產生的廢氣、廢水，確保運行可靠有效，達標排放；一般固體廢物、建築垃圾的回收和處置工作均應有市

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政認可的相關單位進行處置；生產過程中產生的危險廢物委託資質單位處置。並且，優化原輔材料，優化工藝，優化生產，減少污染物的產生。推行清潔生產，將污染物消除或削減在生產過程中。執行國家綜合利用的規定和政策，廣泛開展「三廢」綜合利用，化害為利，變廢為寶。

(1) 主要無害廢棄物為廢鋁、廢鐵等；採用資源循環重複利用方式處置，2018年共回收處置廢鋁15,739噸，廢鐵30,689噸。

(2) 主要有害廢棄物為廢水、廢液、廢氣等。

廢水處理：本集團2018年的廢水產生量為124萬噸。建設污水處理站，經處理達標後，納管排放，在線檢測，2018年已完成昆山區域和杭州區域的兩污分流工作。

廢液處理：本集團2018年的廢液產生量為662噸。選擇環保主管局合格名錄內的第三方處置單位進行廢液處理，開具「五聯單」，依法依規納入政府監管。

廢氣處理：本集團2018年的廢氣產生量為535.6萬噸。選用催化燃燒、蓄熱燃燒和活性炭吸附脫附等處理設備設施，做到達標、減量排放。本年度，鋼桶產品線廢氣處理基本實現全覆蓋，馬口鐵產品線完成主要廢氣排放處理；兩片罐產品線完成6家工廠廢氣處理；塑膠產品線完成3家工廠廢氣處理。

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本集團的排放物主要為VOCs，2018年的VOCs排放量為1,204噸、二氧化硫20.7噸、氮氧化物36.8噸。2018年本集團大力推進減排降污工作，在廢氣排放符合國家現行標準的基礎上，着力減少企業在生產工藝中產生的VOCs排放量並取得了階段性成效。

經過對材料技術發展和環保趨勢進行分析，重點研發LED/UV／水性／覆膜工藝在相關產品線的應用，從源頭降低VOCs排放，為後續減排奠定基礎，累計減少VOCs排放270噸。

同時，各分公司VOCs在達標排放的前提下，控制總量排放治理工作，2018年以指令性項目推進後端尾氣治理，年度累積投入2,340餘萬元，完成武漢公司、杭州公司、成都區域公司RTO項目，處理率95%以上，共減少VOCs排放超約1,000噸。

並且本集團各分公司努力實踐環境保護承諾，其中，南寧中糧製罐有限公司榮獲廣西—東盟經濟技術開發區安全生產目標管理先進單位；無錫公司榮獲無錫市安全生產目標責任考核優秀單位；杭州公司單片罐廢氣處理項目獲得政府補貼33.3萬元。

三、社會公益

本集團致力於傳遞社會愛心火炬，積極開展公益實踐，促進社會和諧發展，促進社會彼此友愛。2018年，本集團積極促進社會繁榮穩定，促進社會互幫互助，在社區共建、扶貧幫困、志願服務等方面發揮應盡的義務。

如6月13日，南寧製罐組織員工以自願原則進行愛心助學捐款活動，為鑼圩鎮清鳳村貧困小學送上員工們的愛心助學捐贈款，並詳細詢問孩子們的生活及當前面臨實際困難等情況。



南寧製罐組織開展愛心助學捐款暨脫貧攻堅·黨員先鋒行活動

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2018年7月26日，本集團組織在杭人員參加下沙開發區組織的「我為七一獻熱血」義務獻血活動，以實際行動展現我們包裝人的精神風貌，得到開發區相關部門肯定。

2018年9月28日，本集團董事長代表中糧包裝向甘孜地區捐贈68.2萬餘元的扶貧資金，用於當地控輟保學教育扶貧工作。13所學校的廚房設施設備的添置和640套學生洗漱工具的購置，體現了本集團落實央企擔當，助攻精準脫貧的責任。

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中糧包裝積極助力四川甘孜精準脫貧攻堅戰

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2018年10月28日，本集團組織青年員工參加2018杭州壹基金公益健行暨可口可樂「為愛同行，沒你不行」公益活動，此次公益活動是為壹基金淨水計劃、溫暖包、壹樂園、洗手計劃以及兒童平安計劃籌集善款。

2018年10月28日，組織員工參加2018杭州國際女子馬拉松賽的志願者活動，全程組織疏導、嚴守崗位耐心指路等，確保賽道安全，也為本集團今後參與亞運會志願者服務做了一次有益的嘗試。

董事及高級管理人員簡介

四、供應商管理

本集團不僅提升自身企業社會責任，同時重視和推動供應商的企業社會責任的提升。本集團目前主要的供應夥伴有寶鋼、首鋼、南山鋁業、中國鋁業、中石化、中海殼牌等。我們選擇符合產品質量安全，具有良好企業社會責任的供應商建立合作關係，引導供應商提升自身的產品質量安全和企業社會責任。

董事會報告

(一) 攜手供應商，構建「產品質量安全網」

本集團嚴把產品質量安全的准入關，對供應商進行分類分級管理。從新供應商新材料的初選、准入、日常管理、持續改進與退出建立了一整套嚴謹的供應商質量管理系統，形成全套標準制度規範體系；通過加強原材料的檢驗證、開展供應商的現場審核、評價考核，技術質量專題交流，召開供應商質量安全會議，獎勵優秀供應商等活動，不斷提升供應商的質量安全意識與管理水平，促進供應商持續改進，原材料合格率穩步提升。

本集團攜手供應商對產品的食品安全風險管控前移，不斷提升食品安全保障能力。與供應商簽訂包含食品安全條款的技術協議，使食品安全承諾與符合性聲明在整個供應鏈上得到有效傳遞。通過增加供應商在線監測裝置強化生產過程控制，加強實驗室投入提升檢驗能力，定期委託權威機構做第三方檢測，推動供應商不斷加強食品安全管控與溯源管理，確保產品食品安全責任零事故與重大質量零事故。同時，本集團與重點供應商聯合開發更高食品安全性材料，使中糧包裝在行業內率先應用更高食品安全性材料，進一步提高了行業食品安全水平。

(二) 努力打造「綠色供應鏈」，不斷推動產業鏈「減排降耗」。

在生產工藝方面，與上游供應商合作通過材料減薄，擴大卷材、波形材使用，減少原料耗用量，在鋁材減薄方面我們處於行業前列；

在減排方面，與上游供應商合作通過擴大覆膜鐵使用，擴大UV、水性等環保塗料使用，減少VOC排放，2018年環保塗料佔比進一步提升；

在材料回收循環使用方面，通過塑料托盤替代木托盤，塑料襯紙替代瓦楞襯紙，提高了包裝物回收循環利用，減少包裝物消耗，2018年塑料托盤佔比在60%以上，塑料襯紙佔比也提升至約40%，木托盤回收率在80%以上，塑料托盤及塑料襯紙的回收率在95%以上；

在廢料回收方面，與上游供應商合作通過設備、技術改造共同推進金屬廢料重新回爐再利用，2018年同供應商南山鋁業完成廢鋁回收約2,700噸。

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(三) 攜手供應商，打造「陽光供應鏈」

對內，本集團積極構建以集體決策、戰略採購、招標採購、網上採購等為主體陽光採購模式，定期開展內、外部審核，加強對採購人員作業規範性的監控。同時在2018年供應鏈系統開展了腐敗隱形變異專項行動，加大反腐防範力度，強化採購人員職業道德操守教育，

對外，本集團推行「誠信交易」，在選擇供應商時應優先選擇社會責任表現良好的供應商。本集團與供應商、運輸商、廢料收購商共簽《陽光協議》，同時定期發佈《謝絕禮品告知書》，構建舉報平台，積極引導供應商及合作夥伴共同遵守社會責任標準，堅持可持續發展模式。

五、產品責任

本集團始終堅持以顧客需求為導向，圍繞着「每一位員工承諾，每一個環節保證，每一件產品可靠，每一家顧客滿意」的質量與食品安全方針，踐行「全心全意服務客戶成功」的企業文化，以及「歡迎問題、立即行動、一次做對、沒有借口」的行動準則。2018年通過不斷完善客戶投訴服務機制，組織落實食品安全新國標合規性工作，持續開展客戶滿意度調查、MSA測量比對、質量月活動，運用標桿管理、質量改進項目、典型糾防、一點課一點改善等多種形式的質量提升活動；並通過技術創新與新產品、新工藝開發，為客戶提供新產品開發、模具製作、技術支持等增值服務，不斷提升顧客滿意度和忠誠度。

(一) 完善客戶投訴機制，注重產品質量提升

2018年本集團進一步優化了《顧客投訴管理辦法》、《顧客服務管理程序》等制度標準。

為了快速應對客戶需求，本集團在各基層單位均設立客戶服務部設置客服專員，在兩片罐等製造部設有客服專員，在總部設立質量與安全管理部，以全面、系統地開展客戶需求識別、技術服務、投訴處理、數據分析、糾正預防與持續改進工作；針對重點客戶成立由銷售、技術、生產、質量等人員組成的專項服務小組，提供一對一的產品技術質量提升專項服務；針對客戶投訴重點問題、疑難質量問題、關鍵工序問題通過對過程關鍵指標CPK等指標的監測與能力分析，2018年組織開展28項質量類標桿管理項目，完成16項質量攻關、提升21項關鍵工序能力水平，42項典型糾防，一點課一點改善460多項，持續提升產品力、減少質量缺陷與客戶投訴。

近年來客戶投訴損失率均控制在0.1%以下。

(二) 客戶滿意度調查

本集團以顧客滿意度測量為着力點，建立並不斷優化顧客滿意度測評方案。針對不同顧客群體設計不同的調查問卷，從質量、交付、運輸、服務等多維度，通過滿意度問卷調查、顧客走訪、業務流失分析、產品交付表現等多個渠道，全面收集、分析用戶意見和建議。本集團每年開展顧客滿意度調查與分析，形成顧客滿意度調查報告，作為質量體系策劃與改進的依據。

近年來，本集團顧客滿意度在同行業中處於較高水平，以杭州中糧製罐有限公司為例，近三年顧客滿意度均保持在90%以上，本集團的品牌知名度、企業形象、產品質量及市場形象在顧客心中影響深遠，近年來獲得了國內外眾多知名企業的認可與高度評價。

(三) 包裝產品的食品安全管控

隨着新《食品安全法》、《食品安全國家標準—食品接觸材料及製品通用安全要求》等系列標準的全新發佈與實施，本集團根據國內外最新法律法規及標準指令，並結合中糧集團有關制度要求與自身實際，及時修訂《食品安全管理規定》、《包裝產品食品安全監督檢驗工作要求》等制度文件，積極落實食品安全新國標合規性工作，推進供應商及其上游、各分公司以及廣大客戶切實落實食品接觸材料食品安全國家新標準，通過多種形式的專業化培訓與交流，全面、系統、嚴格的合規性排查，要求上下游全供應鏈提供食品安全符合性聲明，彰顯企業的社會責任。

本集團將食品安全管理從源頭開始，對涉及食品安全的供應商及原材料，細化供應商准入流程和新材料准入流程，規範原材料檢驗規程，並通過供應商資質審核、現場審核、供應商紅黃牌制度等多種形式，確保原材料食品安全。

貫徹落實各產品線食品安全風險控制大綱，對關鍵控制點進行實時監控，預防食品安全問題的發生；始終堅持三級驗證機制，分公司對原材料及產品每批抽檢，並定期送第三方檢測驗證，總部每月抽檢產品進行食品安全指標的抽檢驗證，並組織分公司與重點客戶、第三方、實驗中心定期開展實驗室比對驗證工作，確保產品安全合規。

持續開展供應商審核、分公司交叉檢查、總部飛行檢查、產品追溯演練，對主要供應商、分公司及重點客戶組織年度評價交流與技術合作等工作，不斷研發應用高安全新材料、新工藝，在實現包裝產品全流程合規、全流程監控、全流程可追溯的同時，持續推動上下游全包裝產業鏈提升食品安全可靠性。

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2018年全年本集團未發生食品安全事故與食品安全類客戶投訴；在2018年國家市場監督管理總局及地方各級監督抽查中，本集團涉及產品100%合格；本集團內外部督查檢查100%合格。

(四) 因提供滿意服務而獲得客戶致謝的案例

2018年度中糧包裝因質量可靠、服務滿意，榮獲聯合利華、湯臣倍健、攪菊、天地壹號等重點客戶的年度「質量控制獎」、「優秀供應商獎」、「優質服務獎」、「優秀合作夥伴」。

(五) 有關所提供產品和服務的廣告、標籤及私隱事宜以及補救方法

本集團嚴格按照《印刷業管理條例》、《商品條碼管理辦法》等法規要求，取得印刷經營許可證和商品條碼印刷資格證書，並嚴格按照許可範圍從事印刷經營活動。根據《印刷品承印管理規定》、《商品條碼管理辦法》、《商標法》等相關法律法規要求，建立並保持內控管理制度。如制訂《銷售合同控制程序》，接受委託印刷訂單或合同前，收集、評審委託方的註冊商標、商品條碼等相關資質；建立《印前控制程序》，在印刷物承印前，再次驗證並核查委託方的註冊商標、商品條碼等資質資料，確認合規後方可投入印刷。

本集團按照相關法律法規、國家標準和中糧集團有關要求，結合自身實際，編製《中糧包裝可追溯體系建設技術規範》和《產品召回管理辦法》，用於指導各分公司、各產品線可追溯體系建設工作；另通過SAP\SPC\QMS\OA\條碼管理等信息化平台建設，不斷提升產品的可追溯能力，縮短追溯時間。總部定期組織分公司開展產品召回及可追溯性演練，以驗證產品召回控制程序的合理性和有效性。倘若出現產品質量不合格需要召回的情形，本集團將會立即排查涉及的產品範圍，回收有關批次的產品，並研究不合格原因，制定並落實整改措施，並驗證與跟蹤改進效果。

2018年本集團遵守了中國有關產品質量安全及廣告標籤相關的法律法規，未發生因產品質量或廣告標籤問題而需要召回的事件。

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六、反貪污

本集團作為中糧集團下屬企業，嚴格按照國家法律法規及國資委紀委、中糧集團紀檢組關於廉潔從業相關規章制度，持續有效地推進黨風廉政建設，防止賄賂、勒索、欺詐、洗錢及反腐敗工作。本集團設立紀律檢查委員會，負責公司的紀檢監察工作，下屬企業設立紀檢委員，分管本單位的紀檢監察工作。2018年，本集團黨群工作部與監察部合併為黨群監察部，作為一級職能部門負責落實黨委紀委全面從嚴治黨從嚴治企相關工作要求，具體推進公司紀檢監察工作。本集團公開受理舉報投訴的聯繫方式，設立信件、電話、電郵、短信等舉報渠道，鼓勵員工及任何第三方在保密的情況下，檢舉任何與本集團業務有關的違法違規事件，本集團將根據相關办理流程開展調查，若出現違紀違規情形的，經公司核實後視情節輕重和影響程度，給予紀律處分並要求賠償經濟損失，若構成犯罪的，依法移送司法機關並追究刑事責任。

2018年度，本集團在落實黨風廉政責任制、鞏固深化落實中央八項規定精神、巡視整改與三大專項治理工作、加大監督力度和強化廉潔意識、加強紀檢隊伍建設等方面取得了良好效果。在2018年本集團未發生涉及法律的貪污案件及訴訟。

(一) 落實黨風廉政建設責任制，黨委負主體責任，紀委負監督責任。

本集團黨委以習近平新時代中國特色社會主義思想和黨的十九大精神為指引，深刻認識堅持黨要管黨、從嚴治黨的現實緊迫性，組織基層黨組織簽訂黨建責任書和廉政建設責任書，強化兩個責任的落實。不斷增強黨風廉政建設和反腐敗鬥爭的憂患意識、擔當意識、責任意識，進一步明晰黨委的主體責任內容，建立完善工作程序和保障機制，切實做到「一崗雙責」。用法治思維和法治方式推進紀委監督責任的履行，明確監督職責，聚焦監督主業，突出監督主責，不斷提高紀委監督能力，增強紀委在黨風廉政建設責任之中的獨立性和權威性，靈活運用監督執紀四種形態。

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(二) 鞏固深化落實中央八項規定精神

強化對中央八項精神規定的深入學習、理解、領悟，繼續深刻領會貫徹中央八項規定精神的內涵和實質，及時組織學習公司最新修訂的《履職待遇、業務支出管理辦法》，並開展專項監督檢查。按照上級要求嚴格執行重要節假日監督檢查上報機制，節前堅持做好通知和提醒，通過內網、郵件、微信等方式密集強化提示，強調嚴禁公款吃喝、公款送禮、嚴禁公車私用、嚴禁濫發獎金津貼等違規行為，節後按時上報監督檢查報告。

(三) 巡視整改與三大專項治理工作

2018年，根據中央巡視工作領導小組的部署，中央第十三巡視組向中糧集團開展專項巡視工作，本集團按照中糧集團「六個到位」的巡改要求，開展多項自查自糾工作，持續推進深化整改措施，健全完善制度機制，並對相關人員做了追責處理。巡視整改與腐敗隱形變異問題專項治理、王曉林案自查自糾工作、選人用人專項治理統籌開展，其中腐敗隱形變異問題專項治理共梳理出20類廉潔風險點、11種可能引起腐敗隱形變異問題的種類及表現形式，相關職能部門深入分析其背後的原因、制度漏洞和機制缺失等，提出多項長久立的整改措施，針對性地加強防控治理工作。

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(四) 加大監督力度和強化廉潔意識

加強外部監督，以公司名義向供應商、運輸商、收購商及基建項目施工方等定期發送《謝絕送禮告知書》，重申《陽光協議》，並向其明確舉報方式。建立健全業務管理部、財務部門、審計部門及監察部門的內部聯合監督機制，2018年審計部與多部門合作完成多項建設項目、銷售專項及行政管理專項審計。2018年，本集團重新梳理修訂了《廉潔風險防控手冊》，定期發佈警示簡報，並在多個事業部及供應鏈系統開展警示教育；本集團針對黨委管理經理人先後開展了24人次任職廉政談話、4次廉潔從業培訓，組織經理人參加廉潔從業知識測試，並要求經理人簽訂廉潔從業自查承諾書，通過談話、培訓、測試、自查等不同方式強化經理人的廉潔從業意識。

(五) 加強紀檢隊伍建設

2018年，按照紀檢人員崗位回避的任職要求，嚴把入口關，重新梳理本集團紀檢幹部人員，明確了專門的一只紀檢隊伍。黨群監察部制定了紀檢監察工作責任清單，明晰職責分工，同時要求紀檢隊伍加強保密意識，嚴格履行監督、執紀、問責的責任。本集團紀委先後召開紀檢幹部座談會、紀檢幹部培訓會、黨群監察工作推進會等多次會議，對紀檢幹部開展業務培訓指導，強化隊伍的政治性、政策性、專業性建設。

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張新

張新，現年56歲，為本公司執行董事兼董事會主席。張先生主要負責本集團的整體管理、重大決策、策略計劃及業務發展。張先生於1995年1月加入本集團，2008年6月23日獲委任為執行董事及於2015年3月23日獲委任為董事會主席。他在包裝業擁有逾20年經驗。張先生2011年11月起擔任中國包裝聯合會副會長。張先生於1983年獲得南昌航空工業學院（現稱為南昌航空大學）航空機械加工學士學位，並於2002年獲得東南大學工商管理碩士學位。於2005年，張先生因對中國工程技術發展有傑出的貢獻獲享中國國務院政府特殊津貼。他是高級工程師。



張曄

張曄，現年45歲，為執行董事兼總經理。張先生主要負責本集團日常營運管理。張先生於1995年4月加入本集團，歷任銷售經理、銷售總監、本公司附屬公司的總經理、總經理助理、副總經理等職務。彼於2011年7月至2016年1月期間曾兼任本集團總法律顧問。彼於2016年12月22日獲委任為執行董事及於2016年7月19日獲委任為本公司總經理，現為本公司若干附屬公司的董事。彼於包裝行業擁有逾20年經驗。張先生於1995年畢業於上海復旦大學物理專業大學專科，並於1999年獲上海復旦大學成人教育學院企業管理學士學位。

非執行董事



余友枝

余友枝，現年55歲，為非執行董事。余女士於2017年8月15日獲委任為非執行董事。余女士於2003年4月至2006年4月擔任中國糧油食品進出口（集團）有限公司（現稱為中糧集團有限公司）直屬黨委辦公室副主任及於2006年4月至2008年12月擔任中國糧油食品（集團）有限公司（現稱為中糧集團有限公司）直屬黨委辦公室主任。彼亦於2008年至2016年間擔任中糧集團有限公司黨群工作部（企業文化部）副部長、兼任黨群工作部（企業文化部）工會辦公室主任及工會副主席。余女士於1985年獲得武漢大學哲學學士學位。

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陳前政

陳前政，現年55歲，為非執行董事。陳先生於2016年12月22日獲委任為非執行董事。陳先生於1987年2月至2006年5月歷任武漢中糧進出口公司（為中國糧油食品進出口（集團）有限公司（現稱為中糧集團有限公司）的全資附屬公司）的經理、總經理助理、副總經理及總經理等職務。彼於2006年5月至2008年7月擔任中國糧油食品（集團）有限公司（現稱為中糧集團有限公司）肉食部總經理。彼亦於2008年7月至2016年11月擔任中糧肉食投資有限公司副總經理，同時歷任中糧肉食投資有限公司營銷部總經理、貿易部總經理、冷鏈物流部常務副總經理。陳先生於1985年7月畢業於華中農業大學並取得學士學位，2002年5月獲得高級國際商務師資格。



周原

周原，現年32歲，為非執行董事。周原先生於2016年2月25日獲委任為本公司非執行董事。周原先生自2010年11月起出任深圳證券交易所上市公司及本公司主要股東奧瑞金包裝副董事長兼董事，及自2016年1月起出任深圳證券交易所上市公司黃山永新股份有限公司（「黃山永新」）董事。周原先生於2010年12月獲得澳大利亞蒙納士大學機械工程學的工程學士（榮譽）學位。



沈陶

沈陶，現年48歲，為非執行董事。沈先生於2016年2月25日獲委任為非執行董事。沈先生於包裝行業擁有超過23年高層管理經驗，包括任職上海申井鋼材加工有限公司總經理、上海寶翼製罐有限公司總經理、上海寶鋼產業發展有限公司總經理助理，以及寶鋼金屬有限公司總經理助理。沈先生於2008年7月加入奧瑞金包裝，並自2010年10月起出任奧瑞金包裝董事，從2008年10月至2014年2月出任奧瑞金包裝副總經理，自2014年2月起出任奧瑞金包裝總經理及自2016年1月起出任黃山永新董事。沈先生於2015年1月獲得北京大學工商管理碩士學位。沈先生亦於2004年3月獲得中國商業職業技能鑒定指導中心及全國高級經營師評審委員會頒授的高級經營師資格。

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鄭毓和

鄭毓和，現年58歲，為獨立非執行董事。鄭先生於2008年6月23日獲委任為董事。鄭先生分別自1987年12月及1998年8月成為英格蘭及威爾士特許會計師公會的會員及資深會員，自1999年1月成為香港會計師公會資深會員，自1990年11月成為加拿大安大略省特許會計師公會會員。鄭先生擁有超過30年審計、財務及業務管理經驗。彼自1999年起在香港獨資經營註冊會計師行鄭毓和會計師行。

鄭先生亦為香港潮州商會董事及香港復康力量的名譽總理。

鄭先生現為眾多聯交所上市公司獨立非執行董事，即資本策略地產有限公司、香港建設(控股)有限公司、卜蜂蓮花有限公司、創興銀行有限公司、萊蒙國際集團有限公司、廖創興企業有限公司、金榜集團控股有限公司、正大企業國際有限公司、大唐西市絲路投資控股有限公司、卓珈控股集團有限公司、新百利融資控股有限公司及凱知樂國際控股有限公司。

鄭先生於1983年7月在英格蘭肯特大學畢業，取得會計學士學位，並於1984年8月在英格蘭倫敦經濟學院取得會計及金融碩士學位。

董事及高級管理人員簡介



傅廷美

傅廷美，現年52歲，為獨立非執行董事。傅先生於2008年6月23日獲委任為董事。傅先生在投資、財務、法律和業務管理方面擁有廣泛的經驗。於1992年至2003年，他任職於香港多家投資銀行公司參與多項企業融資交易，包括先後出任百富勤融資有限公司董事，以及擔任法國巴黎百富勤融資有限公司副董事總經理及其後晉升董事總經理。他目前從事私人投資業務。傅先生現任於聯交所上市的公司國泰君安國際控股有限公司、中國郵政儲蓄銀行股份有限公司、華潤醫藥集團有限公司及中糧肉食控股有限公司的獨立非執行董事。在過去3年，傅先生也曾為聯交所上市公司北京控股有限公司的獨立非執行董事。傅先生畢業於倫敦大學，分別於1989年和1993年獲法律碩士和博士學位。



潘鐵珊

潘鐵珊，現年58歲，為獨立非執行董事。潘先生於2016年9月1日獲委任為董事。他擁有曼徹斯特大學工商管理榮譽碩士學位。潘先生現任康和資產管理（香港）有限公司投資總監，並曾任亞洲創富證券有限公司行政總裁和阿仕特朗資本管理有限公司首席投資總監。彼於衍生工具市場的策略買賣及套利、一級及二級股票市場的營銷管理、高淨值客戶的銷售及資產管理以及投資諮詢等金融範疇具備逾32年經驗。

彼自2015年至今為專業財經分析及評論家協會副主席及香港寧夏青年會榮譽顧問。潘先生曾為香港期貨交易所有限公司董事會董事（1995年至1999年）、香港聯合交易所期權結算所有限公司董事會董事（1997年至2000年）、香港證券專業學會會籍委員會委員（1998年至2002年）、衍生工具市場諮詢顧問委員會委員（2000年至2003年）、香港證券專業學會專業教育委員會委員（2002年至2004年）及香港壽臣山獅子會會員。

潘先生現時分別為中國新經濟投資有限公司（股份代號：80）及康宏環球控股有限公司（前稱康宏金融控股有限公司）（股份代號：1019）的獨立非執行董事，該等公司的股份均於聯交所主板上市。

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董事會報告

董事會欣然呈報本年報及本集團截至2018年12月31日止年度的經審核綜合財務報表。

主要業務及業務審視

本公司的主要業務為投資控股。本公司附屬公司主要從事消費品所使用的包裝產品的生產。於截至2018年12月31日止年度，本集團的主要業務在性質上並無重大變動。使用財務關鍵表現指標對本集團本年度表現作出之分析載於本年報第92頁至105頁的管理層論述及分析。

就香港法例第622章《公司條例》附表5要求進行之討論及分析，包括對本集團業務之中肯審視、對本集團面對之主要風險及不明朗因素的討論以及本集團業務相當可能進行之未來發展的揭示，已載於本年報「主席致函」、「總經理報告」、「管理層論述及分析」及「財務報表附註」幾節內。上述幾節乃本報告之一部份。

業績及股息

本集團截至2018年12月31日止年度的利潤及本集團於該日的財務狀況載於本年報第174頁至第305頁的財務報表內。董事會建議派發截至2018年12月31日止年度末期股息每股普通股人民幣0.048元（相等於5.6港仙）（2017年：人民幣0.061元，相等於7.5港仙）。本公司已於2018年9月26日派付中期股息每股普通股人民幣0.060元（相當於6.8港仙）（2017年：人民幣0.071元，相當於8.2港仙）。

董事會建議於2019年6月26日（星期三）或之後向在2019年6月13日（星期四）（「股權登記日」）名列本公司股東名冊的股東派發截至2018年12月31日止年度的末期股息。

根據中國國家稅務總局（「國家稅務總局」）於2009年4月22日發出並自2008年1月1日起實施的《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》（「該通知」），倘以下所有條件適用於中國或在中國進行，中國企業或企業集團控制的並在中國境外註冊的企業應被視為在中國境內有實際管理機構的居民企業，或「非境內註冊居民企業」：(1)負責日常經營及管理辦公場所的高層管理人員；(2)財務管理及人力資源的決策或授權部門；(3)企業的主要資產、會計賬簿、公司印章及股東會議或董事會會議紀要檔案；及(4)企業50%或以上有投票權的董事或高層管理人員經常居住於中國境內。中資控制的非境內企業是否為非境內註冊居民企業須由境外中資控制企業的實際管理機構所在地或其控制者所在地的地方稅務機關進行初步審核，並由國家稅務總局最終確認。

誠如本公司日期為2013年6月9日的公告所披露，本公司已收到國家稅務總局的批覆，確認本公司於2013年1月1日起為中國居民企業。因此，本公司將就2018年度建議末期股息實施企業所得稅代扣代繳安排。

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根據該通知、中國法例《企業所得稅法》及《實施條例》，本公司向非居民企業股東派發2018年度建議末期股息時，須代扣代繳10%的企業所得稅。對於在股權登記日名列本公司股東名冊的所有以非個人名義登記的股東（包括香港中央結算（代理人）有限公司，其他企業代理人或受託人如證券公司、銀行等，或其他組織及團體皆被視為非居民企業股東），本公司將扣除10%的企業所得稅後派發2018年度建議末期股息；對於向在股權登記日名列本公司股東名冊的所有自然人股東派發2018年度建議末期股息時，本公司將不代扣代繳個人所得稅。

任何名列本公司股東名冊上的依法在中國境內成立，或者依照外國（或地區）法律成立但實際管理機構在中國境內的居民企業（如中國《企業所得稅法》中所定義），如不希望本公司代扣代繳上述10%的企業所得稅，請在2019年6月6日（星期四）下午四時三十分或之前向本公司之股份過戶登記處香港中央證券登記有限公司呈交其主管稅務機關所出具以證明本公司毋須就其所享有之股息代扣代繳企業所得稅之文件。

請廣大投資者認真閱讀上文內容。如需更改本公司股東名冊內之持有人身份，請向代理人或受託人查詢相關手續。本公司將嚴格根據法律及有關政府部門的要求，並依照股權登記日的本公司股東名冊所載資料代扣代繳非居民企業股東的企業所得稅。對於任何因股東身份未能及時確定或確定不準而提出的任何要求或對代扣代繳企業所得稅的爭議，本公司將不承擔責任及不予受理。

財務資料摘要

本集團過往五個財政年度已發佈的業績及資產、負債及非控股權益摘要載於本年報第306頁，乃摘錄自經審核綜合財務報表並已適當地重列／重新分類。該摘要並不構成經審核財務報表的一部份。

物業、廠房及設備

本公司及本集團於年內物業、廠房及設備的變動詳情載於經審核財務報表附註13。

股本及股份期權

有關本公司於截至2018年12月31日止年度的股本變動詳情載列於財務報表附註28。

股東於2009年10月23日以書面決議案有條件地批准了一項股份期權計劃（「股份期權計劃」）。股份期權計劃由2009年11月16日起生效，有效期為十年。股份期權計劃的條款符合上市規則第17章的條文規定（如適用）。

股份期權計劃旨在吸引、挽留及鼓勵本集團的高級管理層人員及主要僱員。董事會可酌情並按其認為適合的條款向本集團任何董事（執行或非執行）、監事、高級行政人員、主要技術人員、經理、僱員授出可根據股份期權計劃認購股份的股份期權。

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根據股份期權計劃授出股份期權的要約須於作出要約起計28日內接納。每名股份期權之承授人須於接納授出股份期權的要約時向本公司支付1.00港元。根據股份期權計劃授出的任何特定股份期權的股份認購價由董事會酌情決定，惟認購價須為以下三項的最高者：(i)於要約當日聯交所每日報價表所載股份的收市價；(ii)於緊接要約日前五個營業日聯交所每日報價表所載股份的平均收市價；或(iii)於要約日的股份面值。截至2018年12月31日止年度根據股份期權計劃並無可發行股份。

企業管治報告

本公司有權授出股份期權，惟因行使根據股份期權計劃及本公司任何其他股份期權計劃所授出之所有股份期權而可發行的股份總數，不得超過股份首次在聯交所上市之日已發行股份總數的10%。如果授予本公司一名主要股東或其任何聯繫人士的股份期權，將導致於截至授出當日（包括該日在內）止12個月期間已授予及將授予該人的所有股份期權（包括已行使、已註銷及尚未行使者）獲行使後而發行及將予發行的股份：(i)合共佔已發行股份0.1%以上；及(ii)總值（按授出日的股份收市價計算）超過5,000,000港元，則該等股份期權的授出須經股東在股東大會上以投票方式表決批准，方可作實。

先前於2011年10月12日向參與者授出的股份期權已於2017年12月20日失效，本公司自此並無授出任何股份期權。截至2018年12月31日止年度，本公司並無尚未行使之股份期權，因此期內並無股份期權被行使、註銷或失效。

除上文所披露者外，於截至2018年12月31日止年度內，本公司並無採納任何其他股份期權計劃。

可供分派儲備

環境、社會及管治報告

於2018年12月31日，本公司可供分派儲備乃根據香港公司條例第291、297及299條條文計算，約為人民幣64,106,000元（2017年：約人民幣84,408,000元），其中約人民幣56,379,000元（2017年：約人民幣71,648,000元）為年內建議派發之末期股息。

主要客戶及供應商

董事及高級管理人員簡介

截至2018年12月31日止年度，本集團的最大及五大客戶分別佔本集團銷售總額約7.3%及31.4%。年內本集團的最大及五大供應商合共佔本集團購買總額約17.8%及41.1%。

截至2018年12月31日止年度，本公司董事或其任何緊密聯繫人或任何股東（據董事所知悉擁有本公司已發行股份5%以上）概無於本集團五大客戶或五大供應商中擁有任何實益權益。

董事會報告

董事及董事服務合約

年內及直至本年度報告日期董事名單載列如下：

執行董事：

張新先生 (主席)
張曄先生 (總經理)

非執行董事：

余友枝女士
陳前政先生
周原先生
沈陶先生

獨立非執行董事：

鄭毓和先生
傅廷美先生
潘鐵珊先生

根據公司章程第103條，張新先生、張曄先生及陳前政先生將於2019年股東週年大會上輪值退任及符合資格並願膺選連任。

各董事訂立了為期三年的具體委任條款。

概無擬於2019年股東週年大會上膺選連任的董事與本公司之間訂立本公司於一年內不能決定免付賠償（法定賠償除外）而終止的服務合約。

本公司已收取各獨立非執行董事根據上市規則第3.13條之規定提交確認其符合獨立性之週年確認書。本公司認為所有獨立非執行董事均符合載於上市規則第3.13條之獨立性指引，並根據該指引條文屬獨立人士。

附屬公司董事

年內及直至本年度報告日期，出任本集團附屬公司董事之名單，現詳列如下：

張新
張曄
施于
呂青
馮萍*
程斌才*
趙偉
顧小雷
黃進
楊小燕
王繼良
Goh Hock Huat*
Robert Henry Bourque Jr
季力方
彭巍*
洪遠湘*
蓋軍
龔謝龍
馬斌雲
陳燕玲
張興松

* 他／她已經辭任本集團有關附屬公司董事職務。

董事會報告

董事及高級管理人員簡介

董事及本集團高級管理人員簡介資料載於本年報第146頁至第149頁。

董事的交易、安排及合約權益

本年度內，董事或董事之關連實體概無在對本集團有重大影響之任何交易、安排及合約（本公司控股公司、本公司或本公司任何附屬公司或同系附屬公司為合約訂約方）中直接或間接擁有重大權益。

董事酬金

董事酬金須於股東大會取得股東批准方可作實。其他酬金由薪酬委員會根據本公司的公司章程經參照市況、董事職責及表現以及本集團業績予以釐定。

董事酬金之詳情載於綜合財務報表附註8。

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

截至2018年12月31日，除下文所披露者外，本公司董事或主要行政人員概無於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉（包括根據證券及期貨條例有關條文本公司董事或主要行政人員被認為或被視作擁有的權益及淡倉），或根據證券及期貨條例第352條規定須登記於該條所指的本公司所存置的權益登記冊的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

於本公司相關股份的權益

董事姓名	身份／權益性質	所持相關股份好倉數目	佔權益概約百分比 (附註1)
張新先生	實益擁有人	14,111,000 (附註2)	1.20%
張擘先生	實益擁有人	9,200,000 (附註3)	0.78%

附註：

- (1) 百分比乃根據於2018年12月31日已發行的股份總數，即1,174,560,000股股份計算。
- (2) 張新先生於14,111,000股股份中擁有權益，包括(i)12,500,000股股份，即其根據日期為2016年5月22日之認購協議向本公司認購之股份，由威合有限公司代其持有；及(ii)1,611,000股股份由本人持有。
- (3) 張擘先生於9,200,000股股份中擁有權益，包括(i)8,500,000股股份，即其根據日期為2016年5月22日之認購協議向本公司認購之股份，由威合有限公司代其持有；及(ii)700,000股股份由本人持有。

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主要股東及其他人士於股份及相關股份的權益及淡倉

截至2018年12月31日，就本公司董事所知悉，以下人士（本公司董事或主要行政人員除外）於股份及相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部條文的規定向本公司披露，或根據證券及期貨條例第336條的規定須記錄於本公司所存置的權益登記冊內：

主要股東及其他人士	附註	身份／權益性質	持有股份數目	佔本公司已發行股本權益總額的概約百分比 (附註6)
中國食品(控股)有限公司 (「中國食品(控股)」)	(1)	登記持有人權益	330,658,800	28.15%
COFCO (Hong Kong) Limited (「COFCO (HK)」) 中糧集團 (香港)有限公司 (「中糧(香港)」)	(1)及(2) (1)及(3)	受控法團權益 根據證券及期貨條例第 317(1)(a)及第318條規定 須披露之有關收購特定 上市公司權益之協議任 何一方的權益	330,658,800 269,341,200	28.15% 22.93%
中糧集團有限公司(「中糧集團」)	(1)及(4) (1), (3)及(4)	受控法團權益 根據證券及期貨條例第 317(1)(a)及第318條規定 須披露之有關收購特定 上市公司權益之協議任 何一方的權益	330,658,800 269,341,200	28.15% 22.93%
奧瑞金科技股份有限公司 (前稱為奧瑞金包裝股份 有限公司)(「奧瑞金科技」)	(1)及(3) (1)及(3)	受控法團權益 根據證券及期貨條例第 317(1)(a)及第318條規定 須披露之有關收購特定 上市公司權益之協議任 何一方的權益	269,341,200 330,658,800	22.93% 28.15%

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主要股東及其他人士	附註	身份／權益性質	持有股份數目	佔本公司已發行股本權益總額的概約百分比 (附註6)
上海原龍投資有限公司 (「上海原龍」)	(1)及(3)	受控法團權益	269,341,200	22.93%
	(1)及(3)	根據證券及期貨條例第317(1)(a)及第318條規定須披露之有關收購特定上市公司權益之協議任何一方的權益	330,658,800	28.15%
周雲傑先生	(1)及(3)	受控法團權益	269,341,200	22.93%
	(1)及(3)	根據證券及期貨條例第317(1)(a)及第318條規定須披露之有關收購特定上市公司權益之協議任何一方的權益	330,658,800	28.15%
永隆銀行信託有限公司	(1)及(5)	信託受託人	88,500,000	7.53%
Antopex Limited	(1)及(5)	另一人士代理人	88,500,000	7.53%
創能企業有限公司	(1)及(5)	受控法團權益	88,500,000	7.53%
威合有限公司	(1)及(5)	登記持有人權益	88,500,000	7.53%

附註：

- (1) 於股份中的好倉。
- (2) 中國食品(控股)為中糧(香港)的全資附屬公司。因此，中糧(香港)被視為於中國食品(控股)持有的330,658,800股股份中擁有權益。
- (3) 於2015年11月8日，中糧(香港)與奧瑞金科技簽訂了銷售及購買協議(「買賣協議」)，據此，中糧(香港)同意有條件出售，而奧瑞金科技同意有條件購買最大股份數目為269,341,200股。於2016年1月27日，買賣協議完成，此後，中糧(香港)賣出及奧瑞金科技收購269,341,200股股份。買賣協議符合證券及期貨條例第317(1)(a)，包含奧瑞金科技既定的責任。該等股份此後轉讓至奧瑞金發展有限公司，該公司為奧瑞金國際控股有限公司之全資附屬公司，因此為奧瑞金科技的全資附屬公司。奧瑞金科技由上海原龍及北京二十一兄弟商貿有限公司分別擁有約48.33%及約0.74%，而上海原龍及北京二十一兄弟商貿有限公司由周雲傑先生分別擁有約78.00%及80.00%。因此，根據證券及期貨條例，周雲傑先生及上海原龍及奧瑞金科技被視為於奧瑞金發展有限公司擁有權益之所有股份中擁有權益。

- (4) 中糧(香港)及中國食品(控股)為中糧集團的全資附屬公司。因此，中糧集團被視為於中糧(香港)及中國食品(控股)所持股份擁有權益。
- (5) 威合有限公司的全部股本由創能企業有限公司持有，而創能企業有限公司的全部股本則由Antopex Limited持有，後者為永隆銀行信託有限公司全資擁有代理人。
- (6) 有關百分比乃根據於2018年12月31日已發行股份總數(即1,174,560,000股股份)計算。

除上文所披露者外，截至2018年12月31日，本公司並無獲悉有任何其他人士(本公司董事或主要行政人員除外)於股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部條文的規定向本公司披露或根據證券及期貨條例第336條的規定須記錄於本公司所存置的權益登記冊內。

股票掛鈎協議

截至2018年12月31日止年度，本公司並無訂立任何股票掛鈎協議。

足夠公眾持股量

根據本公司所得的公開資料並就董事所知，董事確認本公司於本年度報告寄發前的最後實際可行日期，一直維持根據上市規則規定的公眾持股量。

關連交易及持續關連交易

目前組成本集團的公司與不同人士進行了多項交易，根據上市規則，該等人士為本公司的關連人士。根據上市規則，該等交易為關連交易及持續關連交易，並須根據上市規則第14A章要求於下文披露。關連交易及持續關連交易之詳情如下：

I. 關連交易

1. 向浙江紀鴻包裝有限公司注資(「紀鴻包裝」)

於2018年11月30日，中糧包裝投資有限公司(「中糧包裝投資」)(本公司的間接全資附屬公司)、紀鴻國際有限公司(「紀鴻國際」)與堆龍鴻暉新材料技術有限公司(「堆龍鴻暉」)(奧瑞金科技的間接全資附屬公司)就增加紀鴻包裝的註冊資本訂立股權調整協議，據此，中糧包裝投資及紀鴻國際將各自向紀鴻包裝分別注資美元13,050,000和美元6,950,000。於注資完成後，紀鴻包裝的經擴大註冊資本將分別由(i)中糧包裝投資持有54.7%；(ii)紀鴻國際持有31.2%；及(iii)堆龍鴻暉持有14.1%。

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由於奧瑞金科技為本公司的主要股東，故根據上市規則第14A.07(1)條，其間接全資附屬公司堆龍鴻暉為本公司於發行人層面的關連人士。目標公司為中糧包裝投資的非全資附屬公司，而堆龍鴻暉於目標公司中持有10%以上權益。因此，根據上市規則第14A.16(1)條及上市規則第14A.07(5)條，紀鴻包裝為本公司的關連附屬公司及關連人士。因此，根據上市規則第14A章，注資構成本公司的關連交易。

上述關連交易的詳情於本公司日期為2018年11月30日的公告中披露。

II. 持續關連交易

1. 2016年與中糧財務的財務服務協議

於2016年9月15日，本公司與中糧財務就重續於2013年9月18日本公司與中糧財務訂立的財務服務協議（「2013年財務服務協議」）而訂立財務服務協議（「2016年財務服務協議」）。2016年財務服務協議及2013年財務服務協議之詳情披露可見於本公司日期為2016年9月15日及2013年9月18日之公告，以及本公司日期分別為2016年10月5日及2013年10月11日之通函。於2016年10月24日舉行之股東特別大會上已取得獨立股東之批准。

根據2016年財務服務協議，中糧財務同意於2016年10月24日（在股東特別大會上取得獨立股東批准之日期）起計三年內向本集團提供下列財務服務：

(a) 存款服務

本集團存放於中糧財務的每日最高人民幣存款額（包括應計利息）不得超過人民幣900,000,000元。存款服務及上述年度上限須遵守上市規則第14A章有關申報、公告、年度審核及獨立股東批准的規定。

(b) 委託貸款服務及其他財務服務

中糧財務已同意根據2016年財務服務協議(i)向本集團提供委託貸款服務，據此中糧財務僅以本集團代理人身份行事，並就委託貸款服務收取手續費及其他服務費用；及(ii)由中糧財務向本集團提供其他財務服務包括結算服務、外匯交易服務及其他相關諮詢及代理服務。中糧財務將會就委託貸款服務及其他財務服務收取不超過人民幣4,000,000元的年度最高上限手續費。上述委託貸款服務及其他財務服務僅須遵守申報、公告及年度審核規定，惟豁免遵守上市規則第14A章項下獨立股東批准之規定。

截至2018年12月31日止年度，每日最高存款額（包括應計利息）達人民幣801,340,000元，而本公司與中糧財務之間概無根據2016年財務服務協議進行委託貸款服務及其他財務服務之交易。

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2. 2017年中糧包裝材料協議

於2017年10月24日，本公司與中糧就重續2014年框架協議訂立供應框架協議（「2017年中糧包裝材料協議」）。根據2017年中糧包裝材料協議，本集團將向中糧集團參照相同或類似產品及服務於相同期間的現行市價供應產品及相關服務，為期三年，自2018年1月1日起開始。2017年中糧包裝材料協議可經訂約雙方協商而續訂，惟須獲得上市規則所要求的必要同意及批准（如必要）。2017年中糧包裝材料協議的詳情於本公司日期為2017年10月24日的公告及日期為2017年11月30日的通函中披露。於2017年12月20日舉行的股東特別大會上已取得獨立股東之批准。

於2018年、2019年及2020年，向中糧集團供應的產品及相關服務的經批准最大年度總值分別不得超過人民幣480,000,000元、人民幣570,000,000元及人民幣670,000,000元。

截至2018年12月31日止年度，根據2017年中糧包裝材料協議將向中糧集團提供的產品及相關服務之價值總額約為人民幣403,403,000元。

3. 2017年中糧資訊科技協議

於2017年10月24日，本公司與中糧就重續2014年資訊科技服務框架協議訂立供應框架協議（「2017年中糧資訊科技協議」）。根據2017年中糧資訊科技協議，中糧連同其附屬公司及聯繫人（本集團除外）（「中糧集團」）同意，於2018年1月1日起及至2020年12月31日止期間按相關年度上限為本集團代購資訊科技軟件及資訊科技設施、提供資訊科技服務及市場諮詢服務以及向本集團租賃（「資訊科技產品及服務」）。2017年中糧資訊科技協議可經訂約雙方協商而續訂，惟須獲得上市規則所要求的必要同意及批准（如必要）。2017年中糧資訊科技協議的詳情於本公司日期為2017年10月24日的公告中披露。

根據2017年中糧資訊科技協議，中糧集團自2018年起至2020年向本集團供應資訊科技產品及服務各自的年度上限如下：(i)就代購資訊科技軟件及資訊科技設施而言，分別為人民幣800,000元、人民幣800,000元及人民幣800,000元；(ii)就提供資訊科技服務及市場諮詢服務而言，分別為人民幣3,000,000元、人民幣3,000,000元及人民幣3,000,000元；及(iii)就租賃而言，分別為人民幣4,000,000元、人民幣3,500,000元及人民幣4,000,000元。

截至2018年12月31日止年度，根據2017年中糧資訊科技協議，與(i)購買資訊科技軟件及資訊科技設施；(ii)提供資訊科技服務及市場諮詢服務；及(iii)租賃有關之價值總額分別為人民幣469,000、無及人民幣2,703,000元。

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4. 2017年奧瑞金包裝材料協議

於2017年10月24日，本公司與奧瑞金包裝就重續2016年買賣框架協議訂立框架協議（「2017年奧瑞金包裝材料協議」）。根據2017年奧瑞金包裝材料協議，自2018年1月1日至2020年12月31日，(i)本集團同意向奧瑞金集團出售，及奧瑞金集團同意自本集團購買印鐵、印鋁及蓋及與該等包裝材料有關的製罐服務及(ii)奧瑞金集團同意向本集團出售及本集團同意向奧瑞金集團購買素鐵、覆膜鐵及鋁及與該等包裝材料有關的製罐服務。有關2017年奧瑞金包裝材料協議之詳情已於本公司日期為2017年10月24日之公告及本公司日期為2017年11月30日之通函中披露。於2017年12月20日舉行之股東特別大會上已取得獨立股東之批准。

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根據2017年奧瑞金包裝材料協議，就(i)2018年至2020年本集團向奧瑞金集團出售印鐵、印鋁及蓋及與該等包裝材料有關的製罐服務批准的年度上限分別為人民幣450,000,000元、人民幣520,000,000元及人民幣550,000,000元；(ii)2018年至2020年奧瑞金集團向本集團出售素鐵、覆膜鐵及鋁及與該等包裝材料有關的製罐服務批准的年度上限分別為人民幣400,000,000元、人民幣450,000,000元及人民幣500,000,000元。

於截至2018年12月31日止年度，根據2017年奧瑞金包裝材料協議，有關(i)本集團向奧瑞金集團出售印鐵、印鋁及蓋及與該等包裝材料有關的製罐服務；及(ii)奧瑞金集團向本集團出售素鐵、覆膜鐵及鋁及與該等包裝材料有關的製罐服務總值分別為人民幣134,823,000元及人民幣71,337,000元。

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持續關連交易之年度審閱

獨立非執行董事已審閱截至2018年12月31日止年度上述1至4項持續關連交易並確認上述持續關連交易：

1. 於本集團正常及一般業務過程中訂立，
2. 按一般商業條款或按不遜於給予或來自獨立第三方的條款訂立，及
3. 符合規管上述持續關連交易之各項協議之公平合理條款及符合本公司和股東的整體利益。

董事及高級管理人員簡介

本公司核數師安永會計師事務所獲委聘遵照香港會計師公會發出的《香港審驗應聘服務準則3000》的歷史財務資料審計或審閱以外的審驗應聘，並參照《實務說明》第740號關於香港《上市規則》所述持續關連交易的核數師函件，就本集團的持續關連交易作出報告。安永會計師事務所已發出其無保留意見函件，當中載有其有關本集團根據上市規則第14A.56條所披露之持續關連交易的結果及結論。本公司已經向聯交所提交核數師函件之副本。

董事會報告

本年度報告經審核財務報表附註36所披露的若干關連人士交易根據上市規則亦構成本公司的關連交易或持續關連交易，根據上市規則第14A章須於本報告中披露。本年報綜合財務報表附註36所披露有關主要管理人員薪酬的關連人士交易包括根據上市規則第14A.73(6)條獲豁免遵守申報、公告及獨立股東批准規定的關連交易。除上述者及上文所披露的關連交易及持續關連交易外，董事認為，本年報綜合財務報表附註36披露的所有其他關連人士交易並不屬於上市規則第14A章下「關連交易」或「持續關連交易」(視情況而定)的定義，毋須遵守上市規則項下任何申報、年度審核、公告或獨立股東批准的規定。本公司確認其於本年度之整體年度已遵守上市規則第14A章的披露規定。

董事於競爭業務的權益

依據上市規則第8.10條，董事於競爭性業務中所需權益如下：

董事姓名	公司名稱	競爭業務性質	權益性質	委任日期
周原先生	奧瑞金科技(附註)	包裝產品生產	副主席 董事	2010年11月 2010年10月
沈陶先生	奧瑞金科技(附註)	包裝產品生產	總經理 董事	2014年2月 2010年10月

附註：

奧瑞金科技為一間於深圳證券交易所之上市公司(股份代號：002701)及主要股東，佔本公司發行股本的約22.93%。奧瑞金科技主要從事綜合包裝服務包括包裝設計、包裝生產、裝罐及品牌設計及推廣。有關奧瑞金科技業務及財務狀況更多細節，請參考2018年4月27日之年報，於網址<http://www.orgtech.cn/uploadfile/2018/0528/20180528012334703.pdf>可獲得。

雖然周原先生為奧瑞金科技之副主席及董事，沈陶先生為奧瑞金科技之總經理及董事，但彼等已確認，彼等很在意各自職責從而避免權益之衝突。倘若當權益發生衝突時，周原先生及沈陶先生避免參與決策進程並於董事會中放棄相關決議之投票權。基於此以及除了周原先生及沈陶先生，奧瑞金科技本身亦聘有管理人員，董事認為，本公司有能力獨立開展其業務，並與奧瑞金科技保持一定距離。

除上文所披露者外，於2018年12月31日，概無董事被視為可能與本集團直接或間接競爭的業務中擁有任何權益。

購買、出售或贖回本公司之上市證券

於截至2018年12月31日止年度內，本公司及其任何附屬公司概無購買、贖回或出售本公司之任何上市證券。

董事會報告

管理層論述及分析

獲准許的彌償

截至2018年12月31日止年度，本公司已為其所有董事及高級管理層安排董事及高級職員的責任保險。該等保險為企業活動所產生之相關成本、費用、開支及法律行動之責任提供保障。依據公司章程第171條，本公司各董事或其他主管人員有權就彼等於執行職務時或就此而可能承擔或引致之所有債務（某種程度上被香港公司條例允許），從本公司之資產中獲得賠償。

管理合約

於年內，本公司並無就本集團的全部及部份業務或任何重要業務的管理或行政工作簽訂或存有任何合約。

企業管治報告

遵守法律及法規

本集團業務主要由本公司在聯交所上市之中國附屬公司經營。因此，我們的運營主要遵循中國及香港相關法律法規。

本公司業務經營需要遵守中國法律法規，包括但不限於產品安全、印刷業務、外商投資、勞動與保險事宜、稅收、外匯及環保等方面的法律法規。具體包括《中華人民共和國安全生產法》、《中華人民共和國工業產品生產許可證管理條例》、《危險化學品安全管理條例》、《中華人民共和國產品質量法》、《中華人民共和國商標法》、《中華人民共和國外資企業法》、《中華人民共和國中外合資經營企業法》、《中華人民共和國中外合作經營企業法》、《外商投資企業設立及變更備案管理暫行辦法》、《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》、《中華人民共和國企業所得稅法》、《中華人民共和國外匯管理條例》、《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》等。

環境、社會及管治報告

截至2018年12月31日止年度，本集團未違反對本集團有重大影響之任何法律法規。

環保政策及表現

本集團致力於促進及維持本地區社會與環境之可持續發展。本集團作為負責任企業，在涉及環境友好、健康及安全、採納有效措施、節能及減排等方面嚴格遵循所有相關法律法規。有關本集團環保政策與表現及本集團與員工主要關係之進一步討論載於本年報「環保、社會及管治報告」章節。所述章節構成本報告之部份。

董事及高級管理人員簡介

董事會報告

與顧客及供應商之主要關係

董事們意識到顧客與商業夥伴是本集團可持續發展之關鍵。本集團致力與商業夥伴建立親密友好關係及為顧客提供更優質服務。

本集團與顧客及消費者保持聯繫並通過多元化方式，如電話、電郵及日常會議來獲得他們的反饋及寶貴意見。

企業管治守則

董事認為本公司於截至2018年12月31日止年度一直遵守上市規則附錄14所載之企業管治守則。

退休計劃

本集團根據強制性公積金計劃條例，為其所有香港僱員設立一項定額供款之強制性公積金退休福利計劃。退休計劃的詳情載列於本年度報告財務報表附註2.4。

股東週年大會

2019年股東週年大會謹定於2019年6月3日（星期一）舉行。

暫停辦理股份過戶登記手續

為釐定股東出席2019年股東週年大會並於會上投票的資格

交回股份過戶文件以作登記之最後時限	2019年5月28日下午4時30分
暫停辦理股份過戶登記手續	2019年5月29日至6月3日（包括首尾兩天）
股權登記日	2019年6月3日

為釐定股東收取末期股息之權利

交回股份過戶文件以作登記之最後時限	2019年6月6日下午4時30分
暫停辦理股份過戶登記手續	2019年6月10日至6月13日（包括首尾兩天）
股權登記日	2019年6月13日

為符合收取建議末期股息及出席2019年股東週年大會的資格，股東必須就有關股份過戶、更改名稱或地址，或遺失股票等事宜聯絡本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

核數師

安永會計師事務所將於2019年股東週年大會上退任，並將在大會上提呈決議案以續聘其為本公司核數師。

主席
張新
香港，2019年3月26日

Independent Auditor's Report

獨立核數師報告



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To the members of CPMC Holdings Limited
(Incorporated in Hong Kong with limited liability)

致中糧包裝控股有限公司全體股東
(於香港註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of CPMC Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 174 to 305, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* paragraph, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for qualified opinion

As disclosed in note 17 to the consolidated financial statements, as at 31 December 2018, the Group had invested in a joint venture, namely Qingyuan JDB Herbal Plant Technology Co., Ltd. ("Qingyuan JDB Herbal"), with the carrying amount of RMB1,209,099,000, including non-current receivables of RMB331,858,000. In view of the ongoing arbitration with the joint venture partners of the Qingyuan JDB Herbal, the management of the Group has performed an impairment assessment on the Group's investment in Qingyuan JDB Herbal and considered that no impairment provision was necessary.

意見

本核數師已審核中糧包裝控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第174頁至第305頁的綜合財務報表，當中包括於2018年12月31日的綜合及公司財務狀況表以及截至該日止年度的綜合損益表、綜合全面收入表、綜合權益變動表及綜合現金流量表，以及財務報表附註，包括主要會計政策之概要。

本核數師認為，除下述保留意見基準一段所述事宜之可能影響外，該等綜合財務報表已按照由香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)，真實公平地顯示貴公司於2018年12月31日之綜合財務狀況及截至該年度之財務業績及現金流量，並已按照香港公司條例而妥為編製。

保留意見基準

誠如綜合財務報表附註17所披露，於2018年12月31日，貴集團投資一家名為清遠加多寶草本植物科技有限公司(「清遠加多寶草本」)的合營企業，賬面值為人民幣1,209,099,000元，包括非流動應收款人民幣331,858,000元。鑒於與清遠加多寶草本的合營企業間的訴訟仍在進行，貴集團管理層已對貴集團於清遠加多寶草本的投資進行減值評估，並認為毋須計提減值撥備。

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Basis for qualified opinion (continued)

We were not appointed as auditor of Qingyuan JDB Herbal. The evidence available to us for the assessment of the management's impairment assessment was limited. We were unable to obtain reliable historical financial information related to Qingyuan JDB Herbal to evaluate the assumptions adopted by the management in their impairment assessment. There are no other satisfactory audit procedures that we could adopt to obtain sufficient appropriate audit evidence that we consider necessary to assess whether the investment in Qingyuan JDB Herbal was impaired. Any adjustments found to be necessary for the impairment of the investment in the joint venture as at 31 December 2018 would have a consequential impact on the Group's net assets as at 31 December 2018 and the Group's profit for the year then ended.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for qualified opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

保留意見基準 (續)

本核數師並未獲委任為清遠加多寶草本的核數師。本核數師可獲取用於評估管理層減值評估的證據實為有限。本核數師無法取得與清遠加多寶草本有關的可靠的歷史財務資料，以評估管理層進行減值評估時採用的假設。亦無其他令人信納的審計程序可供本核數師採用，以取得本核數師認為需要的充足及合適審計證據，以評估於清遠加多寶草本的投資是否出現減值。一旦發現需就2018年12月31日於此合營企業的投資減值作出任何調整，均會影響 貴集團於2018年12月31日的資產淨值及 貴集團截至該日止年度的溢利。

本核數師已根據香港會計師公會頒佈的香港審核準則（「香港審核準則」）進行審核。本核數師於該等準則項下的責任於本核數師報告中的核數師就審核綜合財務報表須承擔的責任部分詳述。根據香港會計師公會的專業會計師道德守則（「守則」），本核數師獨立於 貴集團，並已遵循守則履行其他道德責任。本核數師相信，本核數師所獲得的審核證據充足且適當地為本核數師的保留意見提供基準。

關鍵審核事宜

根據本核數師專業的判斷，關鍵審核事宜乃為本核數師審核本期間綜合財務報表中最為重要的事項。本核數師在審核綜合財務報表和總結意見時已處理該等事宜，並不會就此等事宜單獨發表意見。除保留意見基準一節載述的事宜外，本核數師釐定將下文視作關鍵審核事宜的事項於本核數師報告內闡述。就下述各項事宜，本核數師已為各項事宜提供有關本核數師在審核時如何解決該等事宜的詳述。

本核數師已履行於本核數師報告中的核數師就審核綜合財務報表須承擔的責任中所述的責任，包括與該等事宜相關的責任。因此，本核數師的審核包括執行程序以評估綜合財務報表內存有重大錯誤陳述的風險。本核數師審核程序（包括就解決下述事宜執行的程序）的結果為本核數師對隨附綜合財務報表出具審核意見提供基礎。

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Key audit matters (continued)

關鍵審核事宜 (續)

Key audit matter 關鍵審核事宜	How our audit addressed the key audit matter 本核數師於審核時如何解決關鍵審核事宜
<p><i>Goodwill impairment</i> 商譽減值</p>	
<p>In accordance with Hong Kong Accounting Standard 36 <i>Impairment of Assets</i>, the Group is required to annually test the amount of goodwill for impairment. The net carrying amount of goodwill of approximately RMB233,973,000 as of 31 December 2018 was material to the consolidated financial statements. In addition, management's assessment on the impairment was complex and highly judgemental and was based on assumptions, specifically budgeted gross margins and growth rates, which were affected by expected future market or economic conditions.</p> <p>根據香港會計準則第36號「資產減值」，貴集團須每年釐定商譽減值金額。商譽於2018年12月31日為數約人民幣233,973,000元之賬面淨值對綜合財務報表而言乃屬重大。此外，管理層的減值評估程序較為複雜且涉及高度判斷，並以多項假設為基準，尤其受到預期未來市場或經濟狀況影響之預算毛利率及增長率。</p> <p>Relevant disclosures are included in notes 3 and 15 to the financial statements.</p> <p>相關披露載於財務報表附註3及15。</p>	<p>Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group. We reviewed assumptions relating to the budgeted gross margins and growth rates for each cash-generating unit. We also focused on the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test was most sensitive, that was, those that had the most significant effect on the determination of the recoverable amount of goodwill.</p> <p>本核數師的審核程序包括(其中包括)評估貴集團所使用的假設及方法。本核數師審查與各現金產生單位之預算毛利率及增長率的相關假設。本核數師亦注重貴集團是否對就減值測試結果而言最為敏感之假設做出充分披露，有關假設乃未對釐定商譽可收回金額擁有最為重大影響者。</p>

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Key audit matters (continued)

關鍵審核事宜 (續)

Key audit matter 關鍵審核事宜	How our audit addressed the key audit matter 本核數師於審核時如何解決關鍵審核事宜
<p><i>Impairment of Trade Receivables</i> 貿易應收款撥備</p>	
<p>As at 31 December 2018, the balance of trade receivables of the Group was RMB1,548,944,000, which constituted a significant portion of total assets as at 31 December 2018 and the Group was exposed to credit risks thereof. The Group recognises an allowance based on the expected credit loss ("ECL") approach under Hong Kong Financial Reporting Standard 9 <i>Financial Instruments</i>. The measurement of the ECL requires the application of significant judgement and estimates, such as the expected future cash flows and forward-looking factors specific to the debtors and the economic environment.</p> <p>於2018年12月31日，貴集團之貿易應收款結餘為人民幣1,548,944,000元，佔2018年12月31日總資產之絕大部分，故貴集團面臨相關信貸風險。貴集團根據香港財務報告準則第9號「金融工具」項下的預期信貸虧損（「預期信貸虧損」）法確認撥備。預期信貸虧損計量方式須作出重大判斷及估計，如預期未來現金流量以及有關債務人的特定前瞻性因素及經濟環境。</p> <p>Relevant disclosures are included in notes 3 and 20 to the financial statements.</p> <p>相關披露載於財務報表附註3及20。</p>	<p>Our audit procedures included the assessment of the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimates of expected credit losses.</p> <p>本核數師的審核程序包括評估規管信貸監控、債務收取及估計預期信貸虧損之關鍵內部控制的設計、實施及運作成效。</p> <p>We also assessed the reasonableness of management's expected credit loss allowance by examining the information used by management to form such judgement and estimate, including checking the accuracy of the historical default information, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information.</p> <p>本核數師亦藉檢測管理層用以形成相關判斷及估計的資料（包括核查過往違約資料的準確性、評估過往虧損率是否按目前經濟狀況及前瞻性資料來適切調整）來評估管理層預期信貸虧損撥備的合理性。</p> <p>We also reviewed the Group's subsequent collection of the trade receivables.</p> <p>本核數師亦審查貴集團日後收回貿易應收款的情況。</p>

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Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the *Basis for qualified opinion* section above, we were unable to obtain sufficient appropriate evidence that we consider necessary to evaluate the impairment assessment performed by the management on the Group's investment in the joint venture as at 31 December 2018. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報所載之其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料，不包括綜合財務報表及本核數師就此編製之核數師報告。

本核數師對綜合財務報表之意見並未涵蓋其他資料，且本核數師並未就其他資料發表任何形式之核證結論。

就審核綜合財務報表而言，本核數師的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本核數師在審核過程中獲悉的資料存在重大不符，或似乎存在其他重大錯誤陳述。倘本核數師基於已完成的工作得出結論，該等其他資料出現重大錯誤陳述，本核數師須報告該項事實。

誠如上述保留意見基準一節所述，本核數師無法取得本核數師認為需要的充足及合適審計證據，以評估管理層於2018年12月31日對貴集團於合營企業的投資進行的減值評估。因此，本核數師無法確定其他信息是否存在有關此事項的重大錯誤陳述。

董事就綜合財務報表所承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估貴集團有能力持續經營，並於適用情況下披露與持續經營相關的事宜，以及使用持續經營會計基準，惟貴公司董事擬清盤貴集團或停止營業，或別無其他實際替代方案，則屬除外。

審核委員會協助貴公司董事履行監管貴集團財務呈報過程的責任。

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表須承擔的責任

本核數師的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括本核數師意見的核數師報告。本核數師的報告僅根據香港公司條例第405條向全體股東匯報而不作其他用途。本核數師概不就本報告的內容向任何其他人士負責或承擔責任。

合理保證是高水平的保證，但不能保證按香港審核準則進行審核時總能發現所有存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘合理預期其個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

本核數師在根據香港審核準則進行審核的過程中，運用專業判斷，保持職業懷疑態度。本核數師亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足及適當的審核憑證，作為本核數師意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，故未能發現因欺詐而導致的重大錯誤陳述的風險比因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性及作出會計估計及相關披露資料的合理性。

Independent Auditor's Report

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Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

核數師就審核綜合財務報表須承擔的責任 (續)

- 對董事採用持續經營會計基礎的適當性作出結論。根據所得的審核憑證，決定是否存在與事件或情況有關的重大不明朗因素，可能對貴集團持續經營的能力構成重大疑慮。倘本核數師認為存在重大不明朗因素，則有必要在核數師報告中提請使用者留意綜合財務報表中的相關披露資料。倘有關披露不足，則修訂本核數師的意見。本核數師的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團無法繼續持續經營。
- 評估綜合財務報表的整體列報方式、架構和內容，包括披露資料，以及綜合財務報表是否公平地列報相關交易及事項。
- 就貴集團中實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。本核數師負責指導、監督和執行集團審核。本核數師對審核意見承擔全部責任。

本核數師就(其中包括)審核工作的計劃範圍和時間、在審核過程中的重大審核發現(包括內部控制的重大缺失)與審核委員會進行溝通。

本核數師亦向審核委員會作出聲明，說明本核數師已遵守有關獨立性的道德要求，並就所有被合理認為可能影響本核數師獨立性的關係和其他事宜以及(倘適用)相關保障措施，與審核委員會進行溝通。

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Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Matters under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding an investment in a joint venture as described in the *Basis for qualified opinion* section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and
- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kwok Yin.

Ernst & Young
Certified Public Accountants

Hong Kong
26 March 2019

核數師就審核綜合財務報表須承擔的責任（續）

從與審核委員會溝通的事宜中，本核數師決定對本期綜合財務報表的審核最為重要的事宜為關鍵審核事宜。本核數師會於核數師報告中闡述該等事宜，除非法律法規不允許對某事宜作出公開披露，或在極端罕見的情況下，本核數師認為於報告中溝通某事宜造成的不利後果可能合理預期將會超過其產生的公眾利益，本核數師將不會於此等情況下在報告中闡述該等事宜。

對香港公司條例第407(2)條及第407(3)條規定下其他事項的報告

僅就本報告上述保留意見基準一節所述本核數師無法取得有關於一家合營企業的投資的充足及合適審計證據而言：

- 本核數師無法釐定是否已備存足夠的會計記錄；及
- 本核數師無法取得就本核數師所深知及確信對進行審計屬必要及重大的一切資料或解釋。

本獨立核數師報告的審核項目合作夥伴為黃國賢。

安永會計師事務所
執業會計師

香港
2019年3月26日

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Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2018
截至2018年12月31日止年度

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
REVENUE	收入	5	6,591,307	5,978,238
Cost of sales	銷售成本	6	(5,621,212)	(5,017,347)
Gross profit	毛利		970,095	960,891
Other income and gains – net	其他收入及收益 – 淨額	5	53,402	49,633
Selling and marketing expenses	銷售及營銷費用		(310,937)	(286,891)
Administrative expenses	行政費用		(276,446)	(269,548)
Finance costs	財務費用	7	(90,366)	(43,839)
Share of loss of an associate	分佔一家聯營公司虧損	18	–	(16)
PROFIT BEFORE INCOME TAX	除所得稅前利潤	6	345,748	410,230
Income tax expense	所得稅開支	10	(80,476)	(98,358)
PROFIT FOR THE YEAR	年度利潤		265,272	311,872
Attributable to:	應佔：			
Equity holders of the Company	本公司股本持有人		255,061	310,511
Non-controlling interests	非控股權益		10,211	1,361
			265,272	311,872
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股股本 持有人應佔每股盈利	12		
Basic (RMB)	基本（人民幣元）		0.22	0.26
Diluted (RMB)	攤薄（人民幣元）		0.22	0.26

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Consolidated Statement of Comprehensive Income

Year ended 31 December 2018
截至2018年12月31日止年度

綜合全面收入表

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
PROFIT FOR THE YEAR	年度利潤	265,272	311,872
OTHER COMPREHENSIVE (LOSS)/INCOME	其他全面(虧損)/收入		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:	於其後期間重新分類至損益之其他全面(虧損)/收入:		
Exchange differences on translation of foreign operations	換算海外業務時之匯兌差額	(203,762)	155,027
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	年度其他全面(虧損)/收入(已扣除稅項)	(203,762)	155,027
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收入總額	61,510	466,899
Attributable to:	應佔:		
Equity holders of the Company	本公司股本持有人	51,299	465,538
Non-controlling interests	非控股權益	10,211	1,361
		61,510	466,899

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Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018
於2018年12月31日

			2018	2017
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	4,908,017	4,696,016
Prepaid land lease payments	預付土地租賃款	14	300,806	308,335
Deposits for purchase of items of property, plant and equipment	購買物業、廠房及設備項目的按金		88,820	61,712
Prepayments	預付款	21	17,699	26,469
Goodwill	商譽	15	233,973	233,973
Other intangible assets	其他無形資產	16	28,954	31,360
Investment in a joint venture	投資於一家合營企業	17	1,209,099	799,065
Investment in an associate	投資於一家聯營公司	18	24,984	24,984
Deferred tax assets	遞延稅項資產	27	23,600	21,731
Total non-current assets	總非流動資產		6,835,952	6,203,645
CURRENT ASSETS	流動資產			
Inventories	存貨	19	1,154,721	1,148,890
Trade and bills receivables	貿易應收款及應收票據	20	1,692,347	1,630,793
Prepayments, other receivables and other assets	預付款、其他應收款及其他資產	21	347,091	483,596
Pledged deposits	已抵押存款	22	51,696	72,411
Cash and cash equivalents	現金及現金等價物	22	893,877	711,179
Total current assets	總流動資產		4,139,732	4,046,869
CURRENT LIABILITIES	流動負債			
Interest-bearing bank borrowings	計息銀行借款	26	2,142,232	961,297
Trade and bills payables	貿易應付款及應付票據	23	1,195,705	1,249,039
Other payables and accruals	其他應付款及應計項目	24	390,673	403,342
Tax payable	應繳稅項		26,597	26,353
Total current liabilities	總流動負債		3,755,207	2,640,031
NET CURRENT ASSETS	流動資產淨額		384,525	1,406,838
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		7,220,477	7,610,483

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Consolidated Statement of Financial Position

As at 31 December 2018

於2018年12月31日

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			2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		7,220,477	7,610,483
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	計息銀行借款	26	1,950,954	2,286,970
Deferred tax liabilities	遞延稅項負債	27	17,607	17,778
Government grants	政府補貼		3,328	13,643
Total non-current liabilities	總非流動負債		1,971,889	2,318,391
Net assets	淨資產		5,248,588	5,292,092
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司股本持有人應佔權益			
Share capital	股本	28	2,730,433	2,730,433
Reserves	儲備	29	2,166,604	2,245,107
			4,897,037	4,975,540
Non-controlling interests	非控股權益		351,551	316,552
Total equity	總權益		5,248,588	5,292,092

ZHANG XIN

張新
Director
董事

ZHANG YE

張擘
Director
董事

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		Attributable to equity holders of the Company 本公司股本持有人應佔									
		Notes 附註	Share-based	Capital	Statutory	Exchange	Retained	Total	Non-	Total	
			Share capital	payment reserve	reserves	reserve	fluctuation reserve	profits		controlling interests	equity
	股本	以股份為基 礎支付儲備	資本儲備	法定儲備	匯兌波動儲備	留存利潤	合計	非控股權益	總權益		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
As at 1 January 2017	於2017年1月1日		2,730,433	19,592*	255,156*	345,226*	(302,062)*	1,662,507*	4,710,852	120,364	4,831,216
Profit for the year	年度利潤		-	-	-	-	-	310,511	310,511	1,361	311,872
Other comprehensive income for the year:	年度其他全面收入：										
Exchange differences on translation of foreign operations	換算海外業務時之匯兌差額		-	-	-	-	155,027	-	155,027	-	155,027
Total comprehensive income for the year	年度全面收入總額		-	-	-	-	155,027	310,511	465,538	1,361	466,899
Acquisition of subsidiaries	收購附屬公司	31	-	-	-	-	-	-	-	129,605	129,605
Capital contribution from non-controlling shareholders	非控股股東的資本投入		-	-	-	-	-	-	-	65,222	65,222
2016 final dividend declared	已宣派2016年末期股息		-	-	-	-	-	(117,456)	(117,456)	-	(117,456)
Transfer of share-based payment reserve upon the forfeiture or expiry of share options	購股權沒收或屆滿時轉撥以股份為基礎支付儲備		-	(812)	-	-	-	812	-	-	-
2017 interim dividend	2017年中期股息	11	-	-	-	-	-	(83,394)	(83,394)	-	(83,394)
Appropriation to the statutory reserve	分配至法定儲備		-	-	-	36,129	-	(36,129)	-	-	-
As at 31 December 2017	於2017年12月31日		2,730,433	18,780*	255,156*	381,355*	(147,035)*	1,736,851*	4,975,540	316,552	5,292,092

		Attributable to equity holders of the Company 本公司股本持有人應佔									
		Notes 附註	Share-based	Capital	Statutory	Exchange	Retained	Total	Non-	Total	
			Share capital	payment reserve	reserves	reserve	fluctuation reserve	profits		controlling interests	equity
	股本	以股份為基 礎支付儲備	資本儲備	法定儲備	匯兌波動儲備	留存利潤	合計	非控股權益	總權益		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
As at 1 January 2018	於2018年1月1日		2,730,433	18,780*	255,156*	381,355*	(147,035)*	1,736,851*	4,975,540	316,552	5,292,092
Profit for the year:	年度利潤		-	-	-	-	-	255,061	255,061	10,211	265,272
Other comprehensive loss for the year:	年度其他全面虧損：										
Exchange differences on translation of foreign operations	換算海外業務時之匯兌差額		-	-	-	-	(203,762)	-	(203,762)	-	(203,762)
Total comprehensive income/(loss) for the year	年度全面收入/(虧損)總額		-	-	-	-	(203,762)	255,061	51,299	10,211	61,510
Acquisition of non-controlling interests	收購非控股權益		-	-	27	-	-	-	27	(10,810)	(10,783)
Capital contribution from non-controlling shareholders	非控股股東的資本投入		-	-	12,293	-	-	-	12,293	35,598	47,891
2017 final dividend declared	已宣派2017年末期股息	11	-	-	-	-	-	(71,648)	(71,648)	-	(71,648)
2018 interim dividend	2018年中期股息	11	-	-	-	-	-	(70,474)	(70,474)	-	(70,474)
Appropriation to the statutory reserve	分配至法定儲備		-	-	-	65,476	-	(65,476)	-	-	-
As at 31 December 2018	於2018年12月31日		2,730,433	18,780*	267,476*	446,831*	(350,797)*	1,784,314*	4,897,037	351,551	5,248,588

* These reserve accounts comprise the consolidated reserves of RMB2,166,604,000 (2017: RMB2,245,107,000) in the consolidated statement of financial position.

* 該等儲備賬目構成綜合財務狀況表中的綜合儲備人民幣2,166,604,000元(2017年：人民幣2,245,107,000元)。

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綜合現金流量表

			2018	2017
	Notes		RMB'000	RMB'000
	附註		人民幣千元	人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES		經營活動產生之現金流量		
Profit before income tax		除所得稅前利潤	345,748	410,230
Adjustments for:		調整：		
Finance costs	7	財務費用	90,366	43,839
Share of loss of an associate	18	分佔一家聯營公司虧損	-	16
Interest income	5	利息收入	(12,274)	(13,243)
Loss/(gain) on disposal of items of property, plant and equipment		出售物業、廠房及設備項目虧損/(收益)	1,901	(11,939)
Depreciation	6	折舊	296,353	263,570
Amortisation of prepaid land lease payments	6	預付土地租賃款攤銷	7,618	7,660
Amortisation of other intangible assets	6	其他無形資產攤銷	4,802	4,353
Impairment/(reversal of impairment) of trade receivables, prepayments and other assets	6	貿易應收款、預付款及其他資產減值/(減值撥回)	507	(105)
Reversal of provision against inventories	6	撤銷存貨撥備	-	(2,402)
Amortisation of government grants		政府補貼攤銷	(8,158)	(10,854)
Foreign exchange differences, net	5	匯兌損益淨額	(8,562)	11,339
			718,301	702,464
Increase in inventories		存貨增加	(290,282)	(318,402)
(Increase)/decrease in trade and bills receivables		貿易應收款及應收票據(增加)/減少	(62,067)	35,384
Decrease/(increase) in prepayments, other receivables and other assets		預付款、其他應收款及其他資產減少/(增加)	108,835	(58,142)
Decrease/(increase) in pledged deposits		已抵押存款減少/(增加)	2,653	(30,784)
(Decrease)/increase in trade and bills payables		貿易應付款及應付票據(減少)/增加	(53,334)	351,880
Decrease in other payables and accruals		其他應付款及應計款減少	(34,800)	(21,827)
Cash generated from operations		經營產生之現金	389,306	660,573
Interest paid		已付利息	(90,366)	(43,839)
Mainland China tax paid		已付中國內地稅項	(82,272)	(92,721)
Net cash flows from operating activities		經營活動產生之現金流量淨額	216,668	524,013

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			2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生之現金流量			
Interest received	已收利息	5	12,274	13,243
Increase in prepayments, other receivables and other assets	預付款、其他應收款及 其他資產增加		(28,382)	(51,284)
Purchases of items of property, plant and equipment	購買物業、廠房及 設備項目		(486,043)	(747,275)
(Increase)/decrease in deposits for purchase of items of property, plant and equipment	購買物業、廠房及 設備項目的按金 (增加)/減少		(27,108)	77,308
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及 設備項目所得款項		2,567	22,062
Addition to prepaid land lease payments	添置預付土地租賃款	14	–	(2,840)
Additions to other intangible assets	其他無形資產增加	16	(2,396)	(2,995)
Receipt of government grants for property, plant and equipment	就物業、廠房及 設備已收政府補貼		–	11,930
Acquisition of subsidiaries	購入附屬公司	31	(36,150)	(72,449)
Investment in an associate	投資一家聯營公司	18	–	(25,000)
Investment in a joint venture	投資一家合營企業	17	(78,176)	(799,065)
Entrusted loan to an associate	向一家聯營公司之 委託貸款	21	–	(54,000)
Repayment of an entrusted loan to an associate	收回向一家聯營公司 之委託貸款	21	54,000	–
Net cash flows used in investing activities	投資活動所用之 現金流量淨額		(589,414)	(1,630,365)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生之現金流量			
Acquisition of a non-controlling interest	收購非控股權益	21	(44)	(10,739)
New bank loans	新銀行貸款		1,652,186	2,274,756
Repayment of bank loans	償還銀行貸款		(984,463)	(1,279,764)
Dividends paid	已付股息		(142,122)	(200,850)
Capital contribution from non-controlling interests	非控股權益的資本投入		47,891	65,222
Net cash flows from financing activities	融資活動產生之 現金流量淨額		573,448	848,625
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加/(減少) 淨額		200,702	(257,727)
Cash and cash equivalents at beginning of year	年初現金及現金等價物		711,179	998,083
Effect of foreign exchange rate changes, net	匯率變動影響淨額		(18,004)	(29,177)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終現金及現金等價物		893,877	711,179
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析			
Cash and bank balances	現金及銀行結餘	22	92,537	440,818
Deposits in COFCO Finance	於中糧財務之存款	22	801,340	270,361
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows	綜合財務狀況表及 綜合現金流量表所列 之現金及現金等價物		893,877	711,179

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1. Corporate and Group Information

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” or “Mainland China”).

As at 31 December 2017 and 31 December 2018, (i) COFCO (Hong Kong) Limited (“COFCO (Hong Kong)”) beneficially held approximately 28.15% 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.*) (formerly known as “ORG Packaging Co.,Ltd”) (“ORG Technology”) beneficially held approximately 22.93% 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.

* For identification purposes only

1. 公司及集團資料

中糧包裝控股有限公司（「本公司」）是一家在香港註冊成立的有限責任公司。本公司的股份於2009年11月16日在香港聯合交易所有限公司（「聯交所」）主板上市。本公司之註冊辦公地址為香港銅鑼灣告士打道262號中糧大廈33樓。

本公司乃一家投資控股公司。本公司及其附屬公司（統稱「本集團」）主要在中華人民共和國（「中國」或「中國內地」）從事製造包裝產品，包括飲料罐、食品罐、氣霧罐、金屬蓋、印塗鐵、鋼桶、方圓罐及塑膠包裝。

於2017年12月31日及2018年12月31日，(i)中糧集團(香港)有限公司（「中糧(香港)」）實益持有本公司約28.15%之已發行股份，為本公司之最大單一股東；及(ii)奧瑞金科技股份有限公司（「奧瑞金科技」，前稱「奧瑞金包裝股份有限公司」）實益持有本公司約22.93%之已發行股份，為本公司之第二大股東。中糧香港為在香港註冊成立之公司，並由中糧集團有限公司（「中糧」）最終持有。中糧為於中國註冊之國有企業。奧瑞金科技為在中國註冊成立及於深圳證券交易所上市之公司。

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Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of registration and business 註冊及經營地點	Registered share capital 已註冊股本	Percentage of equity attributable to the Company 本公司所佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hangzhou COFCO-MC Packaging Co., Ltd.* 杭州中糧美特容器有限公司*	PRC/ Mainland China 中國／中國內地	US\$30,050,000 30,050,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Guangzhou Panyu MCP Industries Ltd.* 廣州番禺美特包裝有限公司*	PRC/ Mainland China 中國／中國內地	US\$30,290,000 30,290,000美元	-	100	Manufacture of metal and plastic packaging 金屬和塑膠包裝生產
Wuxi Huapeng Closures Co., Ltd.** 無錫華鵬瓶蓋有限公司**	PRC/ Mainland China 中國／中國內地	US\$25,000,000 25,000,000美元	-	61.48	Manufacture of metal packaging 金屬包裝生產
Hangzhou CPMC Co., Ltd.* 杭州中糧包裝有限公司*	PRC/Mainland China 中國／中國內地	US\$64,500,000 64,500,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Tianjin CPMC Co., Ltd.* 天津中糧包裝有限公司*	PRC/Mainland China 中國／中國內地	US\$50,000,000 50,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
CPMC (Chengdu) Co., Ltd. * 中糧包裝(成都)有限公司*	PRC Mainland China 中國／中國內地	US\$40,000,000 40,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Zhangjiagang CPMC Co., Ltd. *** 張家港中糧包裝有限公司***	PRC/Mainland China 中國／中國內地	RMB17,000,000 人民幣17,000,000元	-	100	Manufacture of metal packaging 金屬包裝生產
CPMC (Wuhan) Co., Ltd. * 中糧包裝(武漢)有限公司*	PRC/Mainland China 中國／中國內地	US\$30,000,000 30,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Hangzhou CPMC Canmaking Co., Ltd.* 杭州中糧製罐有限公司*	PRC/Mainland China 中國／中國內地	US\$39,750,000 39,750,000美元	-	100	Manufacture of metal packaging 金屬包裝生產

1. 公司及集團資料(續)

附屬公司資料

本公司的主要附屬公司的詳情如下：

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Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name 名稱	Place of registration and business 註冊及經營地點	Registered share capital 已註冊股本	Percentage of equity attributable to the Company 本公司所佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shanghai Pinguan Plastic Industry Co., Ltd.** 上海品冠塑膠工業有限公司**	PRC/Mainland China 中國／中國內地	US\$3,800,000 3,800,000美元	-	100	Manufacture of plastic packaging 塑膠包裝生產
CPMC (Kunshan) Co., Ltd.* 中糧包裝(昆山)有限公司*	PRC/Mainland China 中國／中國內地	US\$24,200,000 24,200,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
CPMC (Zhenjiang) Co., Ltd.* 中糧包裝(鎮江)有限公司*	PRC/Mainland China 中國／中國內地	US\$17,750,000 17,750,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Guangzhou CPMC Canmaking Co., Ltd.* 廣州中糧製罐有限公司*	PRC/Mainland China 中國／中國內地	US\$60,000,000 60,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Sino-Asia Package (Tianjin) Co., Ltd.** 環亞包裝(天津)有限公司**	PRC/Mainland China 中國／中國內地	US\$10,000,000 10,000,000美元	-	100	Manufacture of plastic packaging 塑膠包裝生產
Sino-Asia Plastic Package (Zhongshan) Co., Ltd.** 中山環亞塑料包裝有限公司**	PRC/Mainland China 中國／中國內地	US\$7,200,000 7,200,000美元	-	100	Manufacture of plastic packaging 塑膠包裝生產
Victoria Package (Suzhou) Co., Ltd.** 蘇州維港包裝有限公司**	PRC/Mainland China 中國／中國內地	RMB100,000,000 人民幣100,000,000元	-	100	Manufacture of plastic packaging 塑膠包裝生產
Weigang Packaging (Tianjin) Co., Ltd.** 維港包裝(天津)有限公司**	PRC/Mainland China 中國／中國內地	US\$10,000,000 10,000,000美元	-	100	Manufacture of plastic packaging 塑膠包裝生產
CPMC (Tianjin) Barrel Co., Ltd.* 天津中糧製桶有限公司*	PRC/Mainland China 中國／中國內地	US\$20,000,000 20,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產

1. 公司及集團資料(續)

附屬公司資料(續)

本公司的主要附屬公司的詳情如下:(續)

Percentage of equity attributable to the Company

本公司所佔股權百分比
Direct
直接

Indirect
間接

Principal activities
主要業務

Manufacture of plastic packaging
塑膠包裝生產

Manufacture of metal packaging
金屬包裝生產

Manufacture of metal packaging
金屬包裝生產

Manufacture of metal packaging
金屬包裝生產

Manufacture of plastic packaging
塑膠包裝生產

Manufacture of plastic packaging
塑膠包裝生產

Manufacture of plastic packaging
塑膠包裝生產

Manufacture of plastic packaging
塑膠包裝生產

Manufacture of metal packaging
金屬包裝生產

Notes to Financial Statements

財務報表附註 31 December 2018
2018年12月31日

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name 名稱	Place of registration and business 註冊及經營地點	Registered share capital 已註冊股本	Percentage of equity attributable to the Company 本公司所佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Nanning CPMC Canmaking Co., Ltd.** 南寧中糧製罐有限公司**	PRC/Mainland China 中國／中國內地	US\$30,000,000 30,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
CPMC Investment Co., Ltd.* (“CPMC Investment”) 中糧包裝投資有限公司* (「中糧包裝投資」)	PRC/Mainland China 中國／中國內地	US\$404,090,000 404,090,000美元	-	100	Investment holding 投資控股
CPMC (Guangzhou) Plastic Package Co., Ltd.* 中糧(廣州)塑料包裝有限公司*	PRC/Mainland China 中國／中國內地	US\$10,000,000 10,000,000美元	-	100	Manufacture of plastic packaging 塑膠包裝生產
FC Packaging (Harbin) Limited** (“FC Packaging (Harbin)”) 永富容器(哈爾濱)有限公司** (「永富容器(哈爾濱)」)	PRC/Mainland China 中國／中國內地	RMB80,800,000 人民幣80,800,000元	-	100	Manufacture of metal packaging 金屬包裝生產
Fujian FC Packaging Limited* 福建永富容器有限公司*	PRC/Mainland China 中國／中國內地	US\$3,000,000 3,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
CPMC (Guangzhou) Barrel Co., Ltd.* 廣州中糧製桶有限公司*	PRC/Mainland China 中國／中國內地	US\$8,000,000 8,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Weigang Packaging (Suqian) Co., Ltd.** 宿遷維港包裝有限公司**	PRC/Mainland China 中國／中國內地	US\$6,000,000 6,000,000美元	-	100	Manufacture of plastic packaging 塑膠包裝生產
Suzhou CPMC Co., Ltd.* 中糧包裝(蘇州)有限公司*	PRC/Mainland China 中國／中國內地	US\$5,000,000 5,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Xiamen CPMC Co., Ltd.** 中糧包裝(廈門)有限公司**	PRC/Mainland China 中國／中國內地	RMB12,000,000 人民幣12,000,000元	-	60	Manufacture of metal packaging 金屬包裝生產

1. 公司及集團資料(續)

附屬公司資料(續)

本公司的主要附屬公司的詳情如下:(續)

CONSOLIDATED
STATEMENT OF
CASH FLOWS
綜合現金流量表

NOTES TO
FINANCIAL
STATEMENTS
財務報表附註

FIVE-YEAR
FINANCIAL
SUMMARY
五年財務概要

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name 名稱	Place of registration and business 註冊及經營地點	Registered share capital 已註冊股本	Percentage of equity attributable to the Company 本公司所佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Fujian CPMC Canmaking Co., Ltd.* 福建中糧製罐有限公司*	PRC/Mainland China 中國／中國內地	US\$20,000,000 20,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
Harvest Epoch Packaging Co., Ltd.** 浙江紀鴻包裝有限公司**	PRC/Mainland China 中國／中國內地	US\$60,000,000 60,000,000美元	-	54.7	Manufacture of metal packaging 金屬包裝生產
Chengdu CPMC Canmaking Co., Ltd.* 成都中糧製罐有限公司*	PRC/Mainland China 中國／中國內地	RMB50,000,000 人民幣50,000,000元	-	100	Manufacture of metal packaging 金屬包裝生產
CPMC (Jiaxing) Barrel Co., Ltd.* 嘉興中糧製桶有限公司*	PRC/Mainland China 中國／中國內地	US\$10,000,000 10,000,000美元	-	100	Manufacture of metal packaging 金屬包裝生產
CPMC (Weifang) Barrel Co., Ltd.*** 濰坊中糧製桶有限公司***	PRC/Mainland China 中國／中國內地	RMB42,000,000 人民幣42,000,000元	-	100	Manufacture of metal packaging 金屬包裝生產

* Wholly-foreign-owned enterprises

** Sino-foreign equity joint ventures

*** Domestic-funded enterprises

* 外資獨資企業

** 中外合營企業

*** 內資企業

The English names of all the above companies are direct transliterations of their Chinese registered names.

The statutory financial statements of the above subsidiaries are not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上述所有公司的英文名稱乃其中文註冊名稱的直接字譯。

上述附屬公司的法定財務報表並未由香港安永會計師事務所，或安永會計師事務所全球網絡內的另一間成員公司審核。

上表載列董事認為主要影響本年度業績或構成本集團大部份淨資產的本公司附屬公司。董事認為，提供其他附屬公司的詳情會使篇幅冗長。

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all 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. They have been prepared under the historical cost convention, except for derivative financial instruments and financial assets at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

These financial statements have been prepared on a going concern basis. In preparing these financial statements, the directors have given careful consideration to the current and anticipated future liquidity of the Group. Taking into account, inter alia, (i) the expected net cash inflows generated from the Group’s operations for the next twelve months; (ii) the expected net cash outflows used in the Group’s investment plan; (iii) the unutilised loan facilities at the end of the reporting period; (iv) the anticipated result of an arbitration as further detailed in note 17 of these financial statements; and (v) the modified audit opinion expressed by the Company’s auditor in these financial statements; the directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due. Accordingly, the directors consider that the preparation of these consolidated financial statements on a going concern basis is appropriate.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in these financial statements.

2.1 編製基準

該等財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」），包括全部香港財務報告準則、香港會計準則（「香港會計準則」）及香港公認會計準則編製和香港公司條例。除衍生金融工具及按公平值計入其他全面收益的金融資產以公平值計量外，財務報表乃按歷史成本慣例為編製基準。該等財務報表均以人民幣（「人民幣」）列值，且除另有說明外，所有價值均零整至最接近的千位。

持續經營基準

財務報表乃按持續經營基準編製。於編製財務報表時，董事經已審慎考慮本集團現有及預計未來現金流量。經計及（其中包括）(i)本集團業務營運預期於未來十二個月產生的現金流入淨額；(ii)本集團投資計劃預期使用的現金流出淨額；(iii)於報告期末的未動用貸款融資額；(iv)仲裁的預計結果，進一步詳情載於財務報表附註17；及(v)本公司核數師於財務報表內表述的經修訂審計意見，董事認為本集團有能力支付其到期負債。因此，董事認為財務報表按持續經營基準編製屬適宜之舉。

倘本集團無法持續經營，則須作出調整，以將資產價值撇減至其可收回金額，並就可能產生的任何進一步負債作出撥備。相關調整的影響並無於財務報表中反映。

2.1 Basis of Preparation (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018. 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).

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 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 parent of the Group 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.

2.1 編製基準 (續)

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至2018年12月31日止年度的財務報表。附屬公司為本公司直接或間接控制之實體(包括結構性實體)。當本集團對參與被投資公司業務的浮動回報承擔風險或享有權利以及能透過對被投資公司之權力(即目前賦予本集團能力以主導被投資公司相關活動之現有權利)影響該等回報時,即取得控制權。

當本公司直接或間接擁有被投資公司少於多數的投票或同類權利,本集團於評估其是否對被投資公司擁有控制權時考慮所有相關因素及情況,其中包括:

- (a) 與被投資公司的其他投票權持有人的合約安排;
- (b) 因其他合約安排產生的權利;及
- (c) 本集團的投票權及潛在投票權。

附屬公司之財務報表乃於與本公司相同之報告期間按相同會計政策編製。附屬公司的業績自本集團取得控制權之日起綜合入賬,並至該控制權終止當日為止一直綜合入賬。

損益及其他全面收入之各個組成部份歸屬於本集團母公司之擁有人及非控股權益,即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間之交易之集團內公司間資產及負債、權益、收入、開支及現金流量會於綜合入賬時悉數對銷。

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

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 new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28

2.1 編製基準 (續)

綜合基準 (續)

倘事實及情況顯示上文所述三項控制因素之其中一項或多項出現變動，本集團會重新評估其是否控制被投資公司。並無失去控制權之附屬公司擁有權益變動以股本交易入賬。

倘本集團失去對任何附屬公司之控制權，則其撤銷確認(i)該附屬公司之資產(包括商譽)及負債、(ii)任何非控股權益之賬面值及(iii)於權益內記錄之累計匯兌差額；及確認(i)所收代價之公平值、(ii)所保留任何投資之公平值及(iii)損益賬中任何因此產生之盈餘或虧損。先前於其他全面收入內確認之本集團應佔部份重新分類為損益或留存利潤(視何者屬適當)，基準與本集團直接出售相關資產或負債所需使用之基準相同。

2.2 會計政策及披露之變動

本集團於本年度之財務報表首次採納下列新訂及經修訂香港財務報告準則。

香港財務報告準則第2號(修訂本)	以股份為基礎支付交易之分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號財務工具及香港財務報告準則第4號保險合約
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入
香港財務報告準則第15號(修訂本)	釐清香港財務報告準則第15號客戶合約收入
香港會計準則第40號(修訂本)	轉撥投資物業
香港(國際財務報告詮釋委員會)一詮釋第22號	外匯交易及預付代價
2014-2016週期的年度改進	香港財務報告準則第1號及香港會計準則第28號修訂本

2.2 Changes in Accounting Policies and Disclosures (continued)

Except for the amendments to HKFRS 4 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

- (a) Amendments to HKFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.
- (b) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group has applied HKFRS 9 with the initial application date of 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

2.2 會計政策及披露之變動（續）

除與編製本集團財務報表無關的香港財務報告準則第4號（修訂本）及2014-2016週期的年度改進所載若干修訂外，該等新訂及經修訂香港財務報告準則的性質及影響說明如下：

- (a) 香港財務報告準則第2號（修訂本）處理三個主要範疇：歸屬條件對計量以現金結算以股份為基礎支付交易的影響；為僱員履行與以股份為基礎支付相關的稅務責任而預扣若干金額的具有淨額結算特質的以股份為基礎支付交易的分類；及對以股份為基礎支付交易的條款及條件作出令其分類由現金結算變為股權結算的修訂時的入賬。該等修訂澄清計量股權結算以股份為基礎支付的款項時歸屬條件的入賬方法亦適用於現金結算以股份為基礎支付的款項。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行稅務責任而預扣若干金額的具有淨額結算特質的以股份為基礎支付交易，乃整項分類為股權結算以股份為基礎支付交易。此外，該等修訂澄清，倘現金結算以股份為基礎支付交易的條款及條件被修訂，令其成為股權結算以股份為基礎支付交易，則該交易自修訂日期起作為股權結算交易入賬。該等修訂預期不會對本集團的財務狀況或表現產生任何重大影響，原因為本集團並無任何以現金結算以股份為基礎支付交易，亦無預扣稅項的具有淨額結算特質的以股份為基礎支付交易。
- (b) 香港財務報告準則第9號「金融工具」於2018年1月1日或之後開始的年度期間取代香港會計準則第39號「金融工具：確認及計量」，匯集金融工具處理的三大方面：分類及計量、減值及對沖會計。

本集團已於2018年1月1日首次應用香港財務報告準則第9號。因此，比較資料並無重列且將繼續根據香港會計準則第39號規定呈報。

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2.2 Changes in Accounting Policies and Disclosures (continued)

(b) (continued)

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the classification of financial assets and liabilities in the statement of financial position.

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows:

	Original measurement category under HKAS 39 香港會計準則第39號項下的原始計量類別	New measurement category under HKFRS 9 香港財務報告準則第9號項下的新計量類別	Carrying amount 賬面值 RMB'000 人民幣千元
Trade receivables 貿易應收款	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤銷成本列賬的金融資產	1,516,765
Bills receivables* 應收票據*	Loans and receivables 貸款及應收款項	Financial assets at fair value through other comprehensive income 按公平值計入其他全面收益的金融資產	114,028
Financial assets included in prepayments, other receivables and other assets 計入預付款、其他應收款及其他資產的金融資產	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤銷成本列賬的金融資產	124,401
Pledged deposits 已抵押存款	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤銷成本列賬的金融資產	72,411
Cash and cash equivalents 現金及現金等價物	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤銷成本列賬的金融資產	711,179
Trade and bills payables 貿易應付款及應付票據	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債	1,249,039
Financial liabilities included in other payables and accruals 計入其他應付款及應計項目的金融負債	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債	219,294
Interest-bearing bank and other borrowings 計息銀行及其他借款	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債	3,248,267

* *The Group's bills receivables are managed with a business model under which bills receivables are held to collect contractual cash flows or endorsed to suppliers prior to their expiry date. Accordingly, these bills receivables are reclassified as financial assets at fair value through other comprehensive income upon adoption of HKFRS 9.*

The carrying amounts of the Group's financial assets and liabilities under HKFRS 9 are equal to their respective original carrying amounts under HKAS 39 as at 1 January 2018.

2.2 會計政策及披露之變動 (續)

(b) (續)

分類及計量

以下資料載列採納香港財務報告準則第9號對財務狀況表內金融資產及負債分類的影響。

於2018年1月1日，香港會計準則第39號項下的賬面值與香港財務報告準則第9號項下所呈報的結餘的對賬如下：

* 本集團管理應收票據的業務模式為持有該批應收票據到期收取合約性現金流量或於到期前背書應收票據給供應商。因此，該批應收票據於採納香港財務報告準則第9號後被重分類為按公平值計入其他全面收益的金融資產。

本集團金融資產及負債於香港財務報告準則第9號項下的賬面值與彼等各於2018年1月1日於香港會計準則第39號項下的原始賬面值相等。

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(b) (continued)

Impairment

The Group has remeasured the impairment allowances of financial assets as at 1 January 2018 using the expected credit losses (“ECLs”) under HKFRS 9, which is approximate to the impairment allowances under HKAS 39. Accordingly, no transition adjustment to the financial assets and equity at 1 January 2018 was recognised.

- (c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note 5 to the financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

2.2 會計政策及披露之變動 (續)

(b) (續)

減值

本集團已採用香港財務報告準則第9號項下的預期信貸虧損(「預期信貸虧損」)計量金融資產於2018年1月1日的減值撥備，與根據香港會計準則第39號計提的減值撥備相若。因此，概無確認金融資產及股本於2018年1月1日的過渡性調整。

- (c) 香港財務報告準則第15號及其修訂本取代香港會計準則第11號「建築合約」、香港會計準則第18號「收益」及相關詮釋，且(除少數例外情況外)其應用於客戶合約產生的所有收益。香港財務報告準則第15號就來自客戶合約的收入入賬確立一個新五步模式。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取的代價金額進行確認。香港財務報告準則第15號的原則為就計量及確認收益提供更為結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履行責任、不同期間的間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該等披露載於財務報表附註5。由於應用香港財務報告準則第15號，本集團已於財務報表附註2.4變更有關收益確認的會計政策。

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2.2 Changes in Accounting Policies and Disclosures (continued)

(c) (continued)

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

There is no effect of the initial application HKFRS 15 to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative was not restated and continued to be reported under HKAS 11, HKAS 18 and related interpretations.

The adoption of HKFRS 15 has had no impact on the Group's financial position, the Group's profit or loss and other comprehensive income or on the Group's operating, investing and financing cash flows.

2.2 會計政策及披露之變動 (續)

(c) (續)

本集團以修訂式追溯應用法採納香港財務報告準則第15號。根據此方法，該項準則適用於初始應用日期的所有合約或僅適用於當日尚未完成的合約。本集團選擇將該項準則應用於2018年1月1日尚未完成的合約。

首次應用香港財務報告準則第15號對於2018年1月1日留存利潤年初結餘概無影響。因此，比較資料並無重列及繼續根據香港會計準則第11號、香港會計準則第18號及相關詮釋呈報。

採納香港財務報告準則第15號對本集團的財務狀況，本集團的損益及本集團的其他全面收入或本集團的經營、投資及融資現金流量並無影響。

2.2 Changes in Accounting Policies and Disclosures (continued)

(c) (continued)

Set out below are the amounts by which each line item was affected as at 31 December 2018 as a result of the adoption of HKFRS 15.

2.2 會計政策及披露之變動 (續)

(c) (續)

下表載列於2018年12月31日因採納香港財務報告準則第15號而遭受影響的各項目的金額：

		Amounts prepared under 根據下列準則編製的金額		
		HKFRS 15 香港財務報告 準則第15號	Previous HKFRS 先前香港財務 報告準則	Increase/ (decrease) 增加/ (減少)
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
	Notes 附註			
Other payables and accruals	其他應付款及應計項目			
Refund liabilities	退款負債	(i) 5,955	–	5,955
Accrued expenses	應計費用	(i) –	5,955	(5,955)
Contract liabilities	合約負債	(ii) 48,365	–	48,365
Advances from customers	客戶墊款	(ii) –	48,365	(48,365)

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2.2 Changes in Accounting Policies and Disclosures (continued)

(c) (continued)

The nature of the adjustments as at 1 January 2018 and the reasons for the changes in the note of other payables and accruals as at 31 December 2018 are described below:

(i) Sale of industrial products with variable consideration

Some contracts for the sale of industrial products provide customers with volume rebates. Before adopting HKFRS 15, the Group recognised revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of volume rebates. If revenue could not be reliably measured, the Group deferred the recognition of revenue until the uncertainty was resolved. Under HKFRS 15, volume rebates give rise to variable consideration which is determined using the expected value method or the most likely amount method.

2.2 會計政策及披露之變動 (續)

(c) (續)

於2018年1月1日的調整性質以及於2018年12月31日的其他應付款及應計項目附註變動的原因載述如下：

(i) 按可變動代價銷售工業產品

部份銷售工業產品的合約向客戶提供批量回扣。於採納香港財務報告準則第15號前，本集團自按已收或應收代價（扣除批量回扣）的公平值計量的銷售貨品確認收入。倘收入不能可靠地計量，本集團將遞延收入確認，直至有關不確定性解除為止。根據香港財務報告準則第15號，批量回扣導致可變動代價。可變動代價採用預期價值方法或最可能的金額方法釐定。

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2.2 Changes in Accounting Policies and Disclosures (continued)

(c) (continued)

- (i) Sale of industrial products with variable consideration (continued)

Volume rebates

Before the adoption of HKFRS 15, the Group estimated the expected volume rebates using the probability-weighted average amount of rebates approach and included an allowance for rebates in other payables and accruals.

Upon the adoption of HKFRS 15, the Group has applied either the most likely amount method or the expected value method for the estimation of the variable consideration for expected volume rebates which are recorded as refund liabilities included in other payables and accruals in the statement of financial position.

As at 31 December 2018, the adoption of HKFRS 15 resulted in an increase in refund liabilities included in other payables and accruals of RMB5,955,000 and a decrease in accrued expenses included in other payables and accruals of RMB5,955,000.

2.2 會計政策及披露之變動 (續)

(c) (續)

- (i) 按可變動代價銷售工業產品 (續)

批量回扣

於採納香港財務報告準則第15號前，本集團使用概率加權平均法估計預期批量回扣，回扣撥備計入其他應付款及應計項目。

於採納香港財務報告準則第15號後，本集團採用最可能的金額方法或預期價值方法來估計於財務狀況表內列賬為計入其他應付款及應計項目的退款負債的預期批量回扣的可變動代價。

於2018年12月31日，採納香港財務報告準則第15號導致計入其他應付款及應計項目的退款負債增加人民幣5,955,000元，計入其他應付款及應計項目的應計費用減少人民幣5,955,000元。

2.2 Changes in Accounting Policies and Disclosures (continued)

- (c) (continued)
(ii) Consideration received from customers in advance

Before the adoption of HKFRS 15, the Group recognised consideration received from customers in advance as other payables. Under HKFRS 15, the amount is classified as contract liabilities which is included in other payables and accruals.

Therefore, upon adoption of HKFRS 15, the Group reclassified RMB56,241,000 from advances from customers included in other payables and accruals to contract liabilities included in other payables and accruals as at 1 January 2018 in relation to the consideration received from customers in advance as at 1 January 2018.

As at 31 December 2018, under HKFRS 15, RMB48,365,000 was reclassified from advances from customers included in other payables and accruals to contract liabilities included in other payables and accruals in relation to the consideration received from customers in advance for the sale of industrial products.

- (d) Amendments to HKAS 40, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments have had no impact on the financial position or performance of the Group.

2.2 會計政策及披露之變動 (續)

- (c) (續)
(ii) 預先收取客戶的代價

於採納香港財務報告準則第15號前，本集團將預先收取客戶的代價確認為其他應付款。根據香港財務報告準則第15號，該金額分類為計入其他應付款及應計項目的合約負債。

故此，於採納香港財務報告準則第15號後，本集團將於2018年1月1日預先收取客戶的代價人民幣56,241,000元由計入其他應付款及應計項目的客戶墊款重新分類為於2018年1月1日計入其他應付款及應計項目的合約負債。

於2018年12月31日，根據香港財務報告準則第15號，因銷售工業產品而預先收取客戶的代價人民幣48,365,000元由計入其他應付款及應計項目的客戶墊款重新分類為計入其他應付款及應計項目的合約負債。

- (d) 香港會計準則第40號(修訂本)澄清實體應將物業(包括在建或發展中物業)轉入或轉出投資物業的時間。該等修訂指明，物業用途只於該物業符合或不再符合投資物業的定義且有證據證明用途發生變動時才會發生變動。管理層擬對物業用途作出的細微變動並非提供證據證明用途發生變動。該等修訂並無對本集團的財務狀況或表現產生任何影響。

2.2 Changes in Accounting Policies and Disclosures (continued)

- (e) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has no significant impact on the Group's financial statements as the Group does not have material transaction, which receives or pay advance consideration in foreign currency.

2.2 會計政策及披露之變動（續）

- (e) 香港（國際財務報告詮釋委員會）－詮釋第22號為實體以外幣收取或支付預付代價及確認非貨幣性資產或負債的情況下，在採納香港會計準則第21號時，應如何釐定交易日期提供指引。該詮釋釐清，就釐定於初始確認有關資產、開支或收入（或其中部份）所用的匯率時，交易日期為實體初始確認因支付或收取預付代價而產生的非貨幣性資產（如預付款項）或非貨幣性負債（如遞延收入）的日。倘確認有關項目前存在多筆預付款或預收款，實體須就每筆預付代價款或收取預付代價款釐定交易日期。該詮釋並無對本集團的財務報表造成任何重大影響，原因為本集團並無收取或支付以外幣計值的預付代價款的重大交易。

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2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> ²
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 16	<i>Leases</i> ¹
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ²
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 ¹

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於此等財務報表應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第3號(修訂本)	業務的定義 ²
香港財務報告準則第9號(修訂本)	附帶負補償的預付款項 ¹
香港財務報告準則第10號及香港會計準則第28號(2011年)(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或投入 ⁴
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港會計準則第1號及香港會計準則第8號(修訂本)	重大性的定義 ²
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益 ¹
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理的不確定性 ¹
2015-2017週期的年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號修訂本 ¹

- ¹ 於2019年1月1日或之後開始之年度期間生效
- ² 於2020年1月1日或之後開始之年度期間生效
- ³ 於2021年1月1日或之後開始之年度期間生效
- ⁴ 並無釐定強制生效日期，惟可供採納

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards (continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

預期適用於本集團的該等香港財務報告準則的進一步資料如下。

香港財務報告準則第3號(修訂本)澄清業務的定義並提供額外指引。修訂本澄清，一整套活動及資產要被視為一項業務，須至少包括可對產出能力有重大貢獻的投入及實質性進程。一項業務在不計入產出所需的一切投入及實質性進程的情況下存續。修訂本移除原有對市場參與者是否有能力收購業務並持續產出之能力的評估要求，轉而注重被收購的投入及實質性進程是否共同對產出能力有重大貢獻。修訂本亦縮小產出的定義，注重向客戶提供的商品及服務以及投資收入或一般活動產生的其他收入。此外，修訂本提供指引以評估必須的進程是否具有實質性，並增加一個可選的公平值集中性測試，該測試可簡化評估一系列必須的活動及資產是否為業務。本集團預期將自2020年1月1日起提前採納修訂本。

香港財務報告準則第10號及香港會計準則第28號(2011年)修訂本針對香港財務報告準則第10號及香港會計準則第28號(2011年)之間有關投資者及其聯營公司或合營企業之間之資產出售或投入兩者規定之不一致性。修訂本規定投資者與其聯營公司或合營企業之間的資產出售或投入構成一項業務時，須全數確認損益。就涉及不構成業務的資產的交易，交易產生的損益於投資者的損益內確認，惟僅以非關連投資者於該聯營公司或合營企業的權益為限。修訂本將於日後應用。香港會計師公會已於2016年1月撤銷香港財務報告準則第10號及香港會計準則第28號(2011年)修訂本的過往強制生效日期，而新強制生效日期將於完成對聯營公司及合營企業之更多會計審閱後釐定。然而，修訂本現時可供採納。

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards (continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. The Group is in the process of analysing the impact of HKFRS 16, and does not expect that the adoption of HKFRS 16 will have a significant impact on its opening balance of retained earnings.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)一詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會)一詮釋第15號「經營租賃－優惠」及香港(準則詮釋委員會)一詮釋第27號「評估涉及租賃法律形式交易的內容」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項可選的租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義或與應用重估方法的一類物業、廠房及設備有關，有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。較諸香港會計準則第17號，香港財務報告準則第16號要求承租人及出租人作出更多披露。承租人可選擇使用全面追溯或修改後追溯方法應用該準則。本集團將自2019年1月1日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號的過渡規定，將首次採納的累計影響確認為對於2019年1月1日保留盈利年初結餘的調整，以及不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用香港會計準則第17號而識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃於初始應用日期就租期於12個月內到期的租賃合約採用該準則允許的豁免。本集團正著手對香港財務報告準則第16號的影響進行分析，並預期採納香港財務報告準則第16號不會對保留盈利年初結餘造成重大影響。

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards (continued)

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港會計準則第1號及香港會計準則第8號(修訂本)為重大性作出新定義。新定義訂明,倘資料遺漏、錯誤或模糊合理預期會對通用財務報表的主要用戶依據該等財務報表作出的決策造成影響,則有關資料具重大性。修訂本澄清重大性取決於信息的性質或程度。倘錯誤陳述資料合理預期會影響主要用戶作出的決定,則有關錯誤陳述具重大性。本集團預期將自2020年1月1日起提前採納修訂本。修訂本預期不會對本集團的財務報表造成重大影響。

香港會計準則第28號(修訂本)澄清,香港財務報告準則第9號的範圍例外僅涵蓋權益法適用的於聯營公司及合營企業的權益,而未涵蓋尚未採用權益法的實質上組成於聯營公司及合營企業的投資淨額的長期權益。因此,實體採用香港財務報告準則第9號(而非香港會計準則第28號),包括香港財務報告準則第9號項下的減值規定,用作該等長期權益。僅在確認聯營公司及合營企業的虧損及於聯營公司或合營企業的投資淨額減值的情況下,香港會計準則第28號其後適用於投資淨額(包括長期權益)。本集團預期將於2019年1月1日採納修訂本,並將根據2019年1月1日存在的事實及情況採用修訂本內的過渡規定就該等長期權益評估其業務模式。本集團亦擬於採納修訂本後應用過去期間的重新呈列比較資料豁免。

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards (continued)

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.4 Summary of Significant Accounting Policies

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2.3 已頒佈但尚未生效之香港財務報告準則（續）

香港（國際財務報告詮釋委員會）—詮釋第23號於稅項處理涉及影響香港會計準則第12號（通稱「不確定稅務狀況」）應用的不確定性時，處理該情況下的所得稅（即期及遞延）會計。該詮釋並不適用於香港會計準則第12號範圍外的稅項或徵稅，尤其亦不包括不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理以下事項(i)實體是否考慮分開處理不確定稅項；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利（稅項虧損）、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋將追溯應用，或全面追溯而不使用事後確認或在採用作調整初步採用日期時初期權益的累計影響下追溯，而不重新提供比較資料。本集團預期自2019年1月1日起採納該詮釋。該詮釋預期不會對本集團之財務報表產生任何重大影響。

2.4 主要會計政策概要

於聯營公司及合營企業的投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益的實體，且可對其發揮重大影響力。重大影響力指的是參與投資對象的財務和經營決策的權力，但不是控制或共同控制這些決策的權力。

合營企業指一項共同安排，對安排擁有共同控制權之訂約方據此對合營企業資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有之控制，共同控制僅在相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

本集團於聯營公司及合營企業的投資乃按本集團根據權益會計法應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。作出調整以符合可能存在的任何不同會計政策。

2.4 Summary of Significant Accounting Policies (continued)

Investments in associates and joint ventures (continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 主要會計政策概要 (續)

於聯營公司及合營企業的投資 (續)

本集團應佔聯營公司及合營企業收購後業績及其他全面收益分別計入綜合損益表及其他綜合全面收益表。此外，倘於聯營公司或合營企業的權益直接確認變動，則本集團會於綜合權益變動表確認其應佔任何變動（倘適用）。本集團與其聯營公司或合營企業間交易的未變現收益及虧損將以本集團於聯營公司或合營企業的投資為限對銷，惟倘未變現虧損證明所轉讓資產減值則除外。收購聯營公司或合營企業所產生的商譽已計入作本集團於聯營公司或合營企業投資的一部份。

倘於聯營公司之投資變成於合營公司之投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，失去對聯營公司之重大影響力或對合營公司之共同控制權後，本集團按其公平值計量及確認任何剩餘投資。聯營公司或合營公司於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公平值之間的任何差額乃於損益賬內確認。

當聯營公司或合營企業的投資歸類為持作出售時，則按香港財務報告準則第5號「持作出售及已終止營運的非流動資產入賬」。

2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公平值計算，該公平值為本集團轉讓的資產於收購日期的公平值、本集團對被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇以公平值或按比例分佔被收購方可識別淨資產計量屬於現時所有權權益並賦予其持有人在清盤時按比例分佔被收購方淨資產的非控股股東權益。所有非控股權益的其他組成部份按公平值計量。收購相關成本於產生時支銷。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前持有的股權乃按其於收購日期的公平值重新計量，而任何帶來的收益或虧損將於損益確認。

將由收購方轉讓的任何或然代價於收購日期按公平值確認。被分類為資產或負債按公平值計量，公平值變動則於損益確認。分類為權益的或然代價不會被重新計量，而其後結算將於權益內入賬。

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前由持有的被收購方股權的公平值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。如總代價及其他項目的總額低於所收購資產淨值的公平值，於重新評估後其差額將於損益確認為議價收購收益。

2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢討。本集團於12月31日進行商譽之年度減值測試。為進行減值測試，因業務合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或各組現金產生單位，而無論本集團其他資產或負債是否已分配予該等單位或該組單位。

減值乃通過評估與商譽有關的現金產生單位（或一組現金產生單位）的可收回金額釐定。當現金產生單位（或一組現金產生單位）的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於未來期間撥回。

倘商譽已被分配至一個現金產生單位（或一組現金產生單位）而該單位的部份業務已出售，則在釐定出售帶來的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面值。在該等情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

2.4 主要會計政策概要 (續)

公平值計量

本集團於各報告期末按公平值計量其投資物業、衍生金融工具及股本投資。公平值為於計量日期市場參與者間進行的有序交易中出售資產所收取或轉移負債所支付的價格。公平值計量乃基於出售資產或轉移負債的交易於資產或負債的主要市場進行，或在未有主要市場的情況下，則於資產或負債的最有利市場進行的假設。主要或最有利市場必須為本集團可進入的市場。資產或負債的公平值乃基於市場參與者為資產或負債定價時所用的假設計量（假設市場參與者以符合彼等最佳經濟利益的方式行事）。

非金融資產的公平值計量會計及一名市場參與者透過以最大限度使用該資產達致最佳用途，或透過將資產出售予將以最大限度使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

本集團使用適用於不同情況且具備足夠可用數據以計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表計量或披露公平值的所有資產及負債，均根據對公平值計量整體而言屬重大的最低級別輸入數據在下述公平值等級內進分類：

- | | | |
|-----|---|---------------------------------------|
| 第1級 | – | 基於相同資產或負債於活躍市場的報價（未經調整） |
| 第2級 | – | 基於對公平值計量而言屬重大的可觀察（直接或間接）最低級別輸入數據的估值方法 |
| 第3級 | – | 基於對公平值計量而言屬重大的不可觀察最低級別輸入數據的估值方法 |

2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 主要會計政策概要 (續)

公平值計量 (續)

就經常於財務報表確認的資產及負債而言，本集團於各報告期末透過（按對公平值計量整體而言屬重大的最低別級輸入數據）重新評估分類，釐定等級中各個級別間是否出現轉移。

非金融資產減值

倘若出現減值跡象或需要對資產（存貨、遞延稅項資產、金融資產除外）進行年度減值測試，則會估計該資產的可收回金額。資產的可收回金額為資產或現金產生單位的使用價值與其公平值減出售成本的較高者，並就個別資產釐定，除非資產並無產生在很大程度上可獨立於其他資產或資產類別的現金流入。在此情況下，將就資產所屬現金產生單位釐定可收回金額。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以可反映現時市場對貨幣時間價值及資產特定風險評估的稅前貼現率貼現至現值。減值虧損於其於與已減值資產功能相符之開支類別產生之期間自損益表扣除。

於各報告期末均評估是否有跡象顯示過往已確認的減值虧損不再存在或有所減少。若出現上述跡象，則估計可收回金額。資產（商譽除外）過往已確認的減值虧損僅於釐定資產可收回金額所用的估計有變時撥回，惟金額不會超過假設過往年度並無就該項資產確認減值虧損而應有的賬面值（已扣除折舊／攤銷）。減值虧損撥回於產生期間計入損益表。

**2.4 Summary of Significant Accounting Policies
(continued)****Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要 (續)**關連人士**

下列各人士視為與本集團有關聯：

- (a) 為一名人士或該名人士的近親，而該人士
- (i) 控制或共同控制本集團；
- (ii) 本集團擁有重大影響力；或
- (iii) 為本集團或本集團一間母公司的主要管理層成員；

或

- (b) 為一間實體而任何下列條件適用：
- (i) 該實體及本集團為同一集團的成員公司；
- (ii) 一間實體為另一間實體的聯營公司或合營企業（或另一間實體的母公司、附屬公司或同系附屬公司）；
- (iii) 該實體及本集團為相同的第三方的合營企業；
- (iv) 一間實體為一間第三方實體的合營企業，而另一間實體為該第三方實體的聯營公司；
- (v) 該實體為本集團或與本集團有關的實體的僱員福利退休福利計劃；
- (vi) 該實體由(a)項所述人士控制或共同控制；
- (vii) (a)(i)項所述的人士對該實體具有重大影響力或為該實體（或該實體的母公司）的主要管理層成員；及

- (viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供管理要員服務。

2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life, taking into account its estimated residual value of 10%. The estimated useful lives for this purpose are as follows:

Buildings	20 to 30 years
Leasehold improvements	3 to 5 years
Machinery and equipment	12 to 20 years
Vehicles	5 years
Electronic equipment, office equipment and fixtures	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 主要會計政策概要 (續)

物業、廠房及設備與折舊

物業、廠房及設備（在建工程除外）按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及任何使資產達致擬定用途運作狀況及地點而直接應計的成本。

物業、廠房及設備項目投入運作後產生的開支，例如維修保養開支，一般於產生期間自損益表扣除。倘達到確認標準，則重大檢查的開支會於資產賬面值中資本化作為替換。倘須定期替換大部份物業、廠房及設備，則本集團會將該等部份確認為有特定可使用年期的個別資產及相應地予以折舊。

折舊乃於各項物業、廠房及設備的估計可使用年期內以直線法將其成本撇銷至剩餘價值計算得出（計及其估計剩餘價值為10%）。物業、廠房及設備的估計可使用年期如下：

樓宇	20年至30年
租賃物業裝修	3年至5年
機器及設備	12年至20年
運輸工具	5年
電子設備、辦公設備及裝置	5年

倘一項物業、廠房及設備各部份擁有不同的可使用年期，則該項物業、廠房及設備的成本將按合理基礎於各部份之間予以分配，而各部份將個別折舊。剩餘價值、可使用年期及折舊方法最少於各財政年度年結日進行一次檢討及於適當時作出調整。

2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, plants, machinery and product lines under construction, or renovation works in progress and is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 15 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

2.4 主要會計政策概要 (續)

物業、廠房及設備與折舊 (續)

物業、廠房及設備包括任何經初始確認的主要部份於出售或預期日後使用或出售不會有任何經濟利益時終止確認。於終止確認資產當年的損益表確認的出售或棄用盈虧指有關資產的出售所得款項淨額與賬面值之差額。

在建工程指正在建設的樓宇、廠房、機器及生產線，或正在進行的裝修，按成本減任何減值虧損入賬而不作折舊。成本包括施工期間的工程直接成本及有關借貸資金的資本化借貸成本。在建工程於落成可用時獲重新分類至物業、廠房及設備的適當類別。

無形資產 (商譽除外)

個別收購的無形資產於初始確認時按成本計量。業務合併之中收購無形資產的成本乃該資產於收購日期的公平值。無形資產的可使用年期評估為有限或無限。可使用年期有限的無形資產隨後於可使用經濟年限內攤銷，並評估是否有跡象顯示無形資產可能出現減值。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各個財政年度完結時進行審閱。

每年個別或按現金產生單位對可使用年期為無限之無形資產進行減值測試。此等無形資產不予攤銷。可使用年期為無限之無形資產之可使用年期會每年檢討，以釐定評定為無限之年期是否繼續有證據支持。倘沒有，評定為無限之可使用年期改為有限按將來適用法入賬。

專利及許可

購買專利及許可乃以成本減去任何減值虧損列賬，並按其估計可使用年期（10至15年）以直線法攤銷。

研發成本

所有研究成本於產生時自損益表扣除。

2.4 Summary of Significant Accounting Policies (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs (continued)

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Computer software

Acquired computer software licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 3 to 8 years.

Customer relationship

Customer relationship represents the fair value attributable to the customer base or existing contractual bids with customers acquired as a result of business combination.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

研發成本 (續)

開發新產品的項目產生的支出僅當本集團能顯示下列各項，方予資本化及遞延：完成該項無形資產使其可供使用或出售在技術上的可行性、其完成的意向及使用或出售該資產的能力、該資產日後如何產生經濟利益、是否有資源可以完成該項目，以及在開發過程中是否可以可靠地計量該項支出。不符合該等準則的產品開發支出在產生時支銷。

電腦軟件

購買電腦軟件牌照乃以成本減去任何減值虧損列賬，並按其估計可使用年期 (3至8年) 以直線法攤銷。

客戶關係

客戶關係指因企業合併導致的客戶基礎或與所收購客戶的現有合約投標應佔的公平值。

租賃

除法定所有權外，資產擁有權絕大部份回報及風險實際上已轉嫁予本集團的租約均以融資租賃列賬。於融資租賃初期，租賃資產成本按最低租賃付款現值撥作資本並連同有關承擔責任入賬 (利息部份除外)，以反映購買及融資。根據撥充資本的融資租賃所持的資產計入物業、廠房及設備，並按資產租賃年期及估計可使用年期 (以較短者為準) 折舊。該等租賃的融資費用於損益表扣除，以於租賃期間產生定期扣除比率。

透過具融資性質之租購合約收購之資產乃列作融資租約，惟須按估計可使用年期計提折舊。

2.4 Summary of Significant Accounting Policies (continued)

Leases (continued)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

2.4 主要會計政策概要 (續)

租賃 (續)

資產擁有權的絕大部份回報及風險仍歸於出租人的租賃以經營租賃入賬。倘本集團為出租人，則本集團按照經營租賃所租賃資產計入非流動資產，而根據經營租賃應收租金於租賃期間以直線法計入損益表。倘本集團為承租人，扣除向出租人收取之任何獎勵之經營租賃應付的租金按直線基準於租賃期內自損益表扣除。

經營租賃項下之預付土地租賃款初步按成本列賬，其後按租期以直線法確認。

投資及其他金融資產 (自2018年1月1日起適用的香港財務報告準則第9號項下的政策)

初始確認及計量

金融資產於初始確認時分為按公平值計入其他全面收益及按公平值計入損益，其後則按攤銷成本計量。

初始確認時的金融資產分類取決於金融資產的合約現金流量特徵以及本集團管理彼等的業務模式。除了並不包含顯著的融資組成部份或本集團已就此應用不就重大融資部份的影響作出調整的實務中的簡易方法之貿易應收款外，本集團初始按公平值加上（倘金融資產並非按公平值計入損益）交易成本計量金融資產。並不包含顯著的融資組成部份或本集團已就此應用實務中的簡易方法之貿易應收款，乃根據下文「收入確認（自2018年1月1日起適用）」載述的政策按照香港財務報告準則第15號釐定之交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需就未償還本金產生純粹支付本金及利息（「純粹支付本金及利息」）現金流量。

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自2018年1月1日起適用的香港財務報告準則第9號項下的政策) (續)

初始確認及計量 (續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

任何正常方式購買或出售金融資產應於交易日確認，即本集團承諾購買或出售資產的日期。正常方式購買或出售指遵循在相關市場中的規則或慣例在約定的時間內交付該項資產之金融資產購買或出售。

後續計量

金融資產的後續計量如下所述取決於其類別：

按攤銷成本列賬的金融資產 (債務工具)

倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有金融資產。
- 金融資產的合約條款於特定日期產生就未償還本金的純粹本息付款的現金流量。

按攤銷成本列賬的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

**2.4 Summary of Significant Accounting Policies
(continued)****Investments and other financial assets (policies under
HKFRS 9 applicable from 1 January 2018) (continued)**

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自2018年1月1日起適用的香港財務報告準則第9號項下的政策) (續)

按公平值計入其他全面收益的金融資產 (債務工具)

倘滿足以下兩個條件，本集團將透過其他全面收益按公平值計量債務工具：

- 於旨在持有金融資產以收取合約現金流量及出售的業務模式中持有金融資產。
- 金融資產的合約條款於特定日期產生就未償還本金的純粹本息付款的現金流量。

就按公平值計入其他全面收益的債務投資，其利息收入、外匯重估及減值虧損或撥回於損益表內確認，並按與按攤銷成本列賬的金融資產相同方式計算。餘下公平值變動於其他全面收益確認。於終止確認時，於其他全面收益確認的累計公平值變動回流到損益表內。

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自2018年1月1日起適用的香港財務報告準則第9號項下的政策) (續)

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣的金融資產，於初始確認時指定按公平值計入損益的金融資產，或強制要求按公平值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹本息付款的金融資產，不論其業務模式如何，均按公平值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收益分類，但於初始確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公平值計入損益。

按公平值計入損益的金融資產按公平值於財務狀況表列賬，而公平值變動淨額於損益及其他全面收益表中確認。

該類別包括本集團並無不可撤銷地選擇按公平值計入其他全面收益進行分類的衍生工具及股本投資。分類為按公平值計入損益的金融資產的股本投資，其股息在支付權確立時(即股息隨附的經濟福利將流入本集團且股息金額能可靠計量)亦於損益表中確認為其他收入。

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

2.4 主要會計政策概要 (續)

投資及其他金融資產 (自2018年1月1日起適用的香港財務報告準則第9號項下的政策) (續)

按公平值計入損益的金融資產 (續)

當嵌入混合合約 (包含金融負債及非金融主體) 的衍生工具具備與主體不緊密相關的經濟特徵及風險; 具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義; 且混合合約並非按公平值計量且其變動計入損益表, 則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量, 且其變動計入損益。僅當合約條款出現變動, 大幅改變其他情況下所需現金流量時; 或當原分類至按公平值列賬且其變動計入損益的金融資產獲重新分類時, 方進行重新評估。

嵌入混合合約 (包含金融資產主體) 的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公平值計量且其變動計入損益。

投資及其他金融資產 (於2018年1月1日之前適用的香港會計準則第39號項下的政策)

初始確認及計量

金融資產於初始確認時分類為按公平值計入損益的金融資產、貸款及應收款及可供出售金融投資, 或指定為於有效對沖中作為對沖工具的衍生工具 (如適用)。於金融資產獲初始確認時, 會按公平值加交易成本計算, 而有關成本為收購金融資產應佔成本, 惟按公平值計入損益的金融資產的情況除外。

所有按常規方式購買及銷售金融資產應於交易日 (即本集團承諾購買或銷售資產當日) 確認。常規購買或銷售指須按照市場規則或慣例所規定的一般期間內交付資產的金融資產買賣。

後續計量

金融資產按分類所進行的後續計量如下:

2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (於2018年1月1日之前適用的香港會計準則第39號項下的政策) (續)

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作交易金融資產及於初始確認後指定為按公平值計入損益的金融資產。金融資產如以短期賣出為目的而購買，則分類為持作交易。衍生工具 (包括獨立嵌入式衍生工具) 亦分類為持作交易，惟獲指定為香港會計準則第39號界定的實際對沖工具則除外。

按公平值計入損益的金融資產按公平值於財務狀況表列賬，公平值正數變動淨額及公平值負數變動淨額分別於損益表呈列為其他收入及收益以及財務成本。此等公平值變動淨額不包括此等金融資產所賺取之任何股息或利息，有關股息或利息根據以下「收入確認 (於2018年1月1日之前適用)」所載政策予以確認。

於初始確認時指定為按公平值計入損益之金融資產，僅於初始確認日期符合香港會計準則第39號之要求時指定。

倘衍生工具之經濟特徵及風險與主合約者並無密切關係，而主合約並非持作買賣用途或指定為按公平值計入損益，主合約之嵌入式衍生工具以個別衍生工具入賬並按公平值記錄。此等嵌入式衍生工具按公平值計量而公平值變動於損益表內確認。倘合約條款變動大幅改變現金流量，方會作出所需重新評估，或對按公平值於損益列賬類別之金融資產作重新分類。

**2.4 Summary of Significant Accounting Policies
(continued)****Investments and other financial assets (policies under
HKAS 39 applicable before 1 January 2018) (continued)***Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in administrative expenses for receivables.

2.4 主要會計政策概要 (續)**投資及其他金融資產 (於2018年1月
1日之前適用的香港會計準則第39
號項下的政策) (續)***貸款及應收款*

貸款及應收款指附帶固定或可釐定付款金額，並沒有在活躍市場報價的非衍生金融資產。於初步計量後，該等資產其後以實際利率法按攤銷成本減任何減值撥備計量。攤銷成本計及收購時的任何折價或溢價，並包括組成實際利率一部份的費用或成本。實際利率的攤銷包括於損益表的其他收入及收益一項內。減值產生的虧損於損益表的財務費用(貸款減值)及行政費用(應收款減值)內確認。

2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要 (續)

終止確認金融資產(自2018年1月1日起適用的香港財務報告準則第9號項下的政策及於2018年1月1日之前適用的香港會計準則第39號項下的政策)

金融資產(或倘適用,一項金融資產的一部份或一組同類金融資產的一部份)主要在下列情況下將予終止確認(即自本集團的綜合財務狀況表移除):

- 自資產收取現金流量的權利已屆滿;或
- 本集團已轉讓自資產收取現金流量的權利,或已根據一項「轉付」安排承擔責任,在無重大延誤情況下,將所得現金流量全數付予第三方;及本集團(a)已轉讓資產的絕大部份風險及回報,或(b)並無轉讓或保留資產的絕大部份風險及回報,但已轉讓資產的控制權。

當本集團已轉讓其自一項資產收取現金流量的權利或已訂立轉付安排,其評估其是否仍保留資產擁有權的風險及回報及保留程度。當其並未轉讓或保留資產的絕大部份風險及回報或轉移資產的控制權,本集團就其持續參與的程度持續確認所轉讓資產。在此情況下,本集團亦確認相關負債。已轉讓的資產及相關負債乃按反映本集團保留的權利及責任的基準計量。

本集團以擔保形式持續涉及轉讓資產,乃以資產之原賬面值及本集團可能需要償還之最高代價兩者之較低者計量。

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2.4 主要會計政策概要 (續)

金融資產減值 (自2018年1月1日起適用的香港財務報告準則第9號項下的政策)

本集團就並非按公平值計入損益持有的所有債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的相若利率貼現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

一般方法

預期信貸虧損分兩個階段確認。就初始確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月可能發生的違約事件所產生的信貸虧損 (12個月預期信貸虧損) 計提預期信貸虧損撥備。就初始確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提虧損撥備，不論違約的時間 (全期預期信貸虧損)。

於每個報告日期，本集團評估相關金融工具的信用風險自初始確認後是否已顯著增加。進行評估時，本集團將金融工具於報告日期發生違約的風險與金融工具於初始確認當日發生違約的風險進行比較，並會考慮毋須付出不必要的成本或努力即可獲得的合理且可靠資料，包括過往及前瞻性資料。

就按公平值計入其他全面收益的債務投資，本集團採用低信用風險簡化方法。於每個報告日期，本集團使用毋須付出不必要的成本或努力即可獲得的所有合理且可靠資料來評估債務投資是否具有低信用風險。進行評估時，本集團重新評估債務投資的外部信貸評級。此外，本集團認為，倘合約付款逾期超過30日，則信用風險大幅增加。

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are past due over a long period of time. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 主要會計政策概要 (續)

金融資產減值 (自2018年1月1日起適用的香港財務報告準則第9號項下的政策) (續)

一般方法 (續)

本集團認為，倘合約付款逾期過久，則金融資產視作違約。然而，於若干情況下，在並無計及本集團持有的任何增信安排前，本集團亦可於內部或外部資料顯示本集團不大可能悉數收取尚未償還合約金額時將金融資產視作違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按公平值計入其他全面收益的債務工具及按攤銷成本列賬的金融資產按一般方法進行減值，彼等於計量預期信貸虧損時分類為下列階段，惟貿易應收款則應用下文所述簡易方法。

- 第一階段 – 自初始確認以來信貸風險並無大幅增加及其虧損撥備按等同於12個月預期信貸虧損的金額計量的金融工具
- 第二階段 – 自初始確認以來信貸風險大幅增加但並非信貸減值金融資產及其虧損撥備按等同於全期預期信貸虧損的金額計量的金融工具
- 第三階段 – 於報告日期出現信貸減值 (但並非購入或源生信貸減值) 及其虧損撥備按等同於全期預期信貸虧損的金額計量的金融資產

簡易方法

就並不包含顯著的融資組成部份或本集團已就此應用不就重大融資部份的影響作出調整的實務時的貿易應收款而言，本集團應用簡易方法計算預期信貸虧損。根據簡易方法，本集團並無追溯信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按債務人的特定前瞻性因素及經濟環境作出調整。

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要 (續)

金融資產減值 (於2018年1月1日之前適用的香港會計準則第39號項下的政策)

本集團於各個報告期末評估是否存在客觀跡象顯示一項或一組金融資產出現減值。倘於初始確認資產後發生的一宗或多宗事件對該項金融資產或該組金融資產的估計未來現金流量造成影響且有關影響能可靠地估計，則存在減值。減值跡象可包括一名或一群債務人正面臨重大財務困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，個別評估是否存在減值跡象。倘本集團認定按個別基準經評估的金融資產（無論具重大性與否）並無客觀跡象顯示存有減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值的資產，其減值虧損會予確認或繼續確認入賬，而不會納入綜合減值評估之內。

任何已識別的減值虧損金額按該資產賬面值與估計未來現金流量（不包括並未產生的未來信貸虧損）現值的差額計量。估計未來現金流量的現值以金融資產的初始實際利率（即初次確認時計算的實際利率）折現。

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to administrative expenses in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (於2018年1月1日之前適用的香港會計準則第39號項下的政策) (續)

按攤銷成本列賬的金融資產 (續)

該資產的賬面值會通過使用備抵賬而減少，而虧損於損益表確認。利息收入於減少後之賬面值中持續產生，且採用計量減值虧損時用以折現未來現金流量的利率累計。若日後收回不可實現及所有抵押品已變現或轉讓予本集團，則撇清貸款及應收款項連同任何相關撥備。

倘若在其後期間估計減值虧損金額由於確認減值之後發生的事項增加或減少，則透過調整撥備賬增加或減少先前確認的減值虧損。倘於其後收回撇清，該項收回將計入損益表內行政開支項下。

2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss (policies under HKFRS 9 applicable from 1 January 2018)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 主要會計政策概要 (續)

金融負債(自2018年1月1日起適用的香港財務報告準則第9號項下的政策及於2018年1月1日之前適用的香港會計準則第39號項下的政策)

初始確認及計量

金融負債於初始確認時劃分為按公平值計入損益的金融負債、貸款及借貸、應付款，或劃分為指定作有效對沖的對沖工具的衍生工具(如適用)。

所有金融負債初步按公平值確認，而如屬貸款及借貸以及應付款，則扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款及應付票據、其他應付款及應計項目及計息銀行及借款。

後續計量

金融負債的後續計量取決於被等的分類進行，載列如下：

按公平值計入損益的金融負債(自2018年1月1日起適用的香港財務報告準則第9號項下的政策)

按公平值計入損益的金融負債包括持作買賣的金融負債及於初始確認時指定為按公平值計入損益的金融負債。

倘金融負債產生的目的是為在短期內回購，則該等資產分類為持作買賣。該分類亦包括本集團所訂立在對沖關係(定義見香港財務報告準則第9號)中並無指定為對沖工具的衍生金融工具。已分開之嵌入式衍生工具亦分類為持作買賣，惟被指定為有效對沖工具除外。持作買賣負債的收益或虧損於損益表內確認。損益表內確認的公平值收益或虧損淨額不包括就該等金融負債支付的任何利息。

2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Financial liabilities at fair value through profit or loss (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at fair value through profit or loss (policies under HKAS 39 applicable before 1 January 2018)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

2.4 主要會計政策概要 (續)

金融負債(自2018年1月1日起適用的香港財務報告準則第9號項下的政策及於2018年1月1日之前適用的香港會計準則第39號項下的政策)(續)

按公平值計入損益的金融負債(自2018年1月1日起適用的香港財務報告準則第9號項下的政策)(續)

於初始確認時指定為按公平值計入損益的金融負債，僅於初始確認日期符合香港財務報告準則第9號的要求時指定。指定按公平值計入損益的負債的收益或虧損於損益表內確認，惟本集團自身信貸風險產生的收益或虧損則於其他全面收益呈列，且其後不會重新分類至損益表內。損益表內確認的公平值收益或虧損淨額不包括就該等金融負債支付的任何利息。

按公平值計入損益的金融負債(於2018年1月1日之前適用的香港會計準則第39號項下的政策)

按公平值計入損益的金融負債包括持作買賣的金融負債及於初始確認時指定為按公平值計入損益的金融負債。

倘金融負債收購的目的是為在短期內回購，則該等資產分類為持作買賣。該分類包括本集團所訂立在對沖關係(定義見香港會計準則第39號)中並無指定為對沖工具的衍生金融工具。已分開之嵌入式衍生工具亦分類為持作買賣，惟被指定為有效對沖工具除外。持作買賣負債的收益或虧損於損益表內確認。損益表內確認的公平值收益或虧損淨額不包括就該等金融負債支付的任何利息。

於初始確認時指定為按公平值計入損益的金融負債，僅於初始確認日期符合香港會計準則第39號的要求時指定。

2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融負債(自2018年1月1日起適用的香港財務報告準則第9號項下的政策及於2018年1月1日之前適用的香港會計準則第39號項下的政策)(續)

貸款及借貸

於初始確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非貼現影響為微不足道，在該情況下則按成本列賬。當負債終止確認或按實際利率法進行攤銷程序時，其收益及虧損在損益表內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部份的費用或成本後計算。實際利率攤銷計入損益表的財務費用內。

2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as commodity futures contracts and foreign currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of commodity purchase contracts that meet the definition of a derivative as defined by HKFRS 9 and HKAS 39 is recognised in the statement of profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirement are held at cost.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

2.4 主要會計政策概要 (續)

終止確認金融負債(自2018年1月1日起適用的香港財務報告準則第9號項下的政策及於2018年1月1日之前適用的香港會計準則第39號項下的政策)

金融負債於負債項下責任被解除或撤銷或屆滿時終止確認。

如一項現有金融負債被來自同一貸款方且大部份條款均有差別的另一項金融負債所取代，或現有負債的條款被大幅修改，此種置換或修改被視作終止確認原有負債並確認新負債處理，而兩者的賬面值差額於損益表內確認。

金融工具的抵銷(自2018年1月1日起適用的香港財務報告準則第9號項下的政策及於2018年1月1日之前適用的香港會計準則第39號項下的政策)

僅於當具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，方可將金融資產和金融負債互相抵銷，並在財務狀況表內以淨額列示。

衍生金融工具及對沖會計(自2018年1月1日起適用的香港財務報告準則第9號項下的政策及於2018年1月1日之前適用的香港會計準則第39號項下的政策)

初始確認及後續計量

本集團利用衍生金融工具(例如遠期商品合約及外匯合約)以對沖其外幣風險。該等衍生金融工具乃按訂立衍生工具合約當日的公平值作初始確認，其後則按公平值重新計量。倘公平值為正數，衍生工具列賬為資產，而倘公平值為負數時，則列賬為負債。

商品購買合約的公平值倘符合香港財務報告準則第9號及香港會計準則第39號所界定一項衍生工具的定義，則於損益表內確認為銷售成本。根據本集團預期購買、銷售或使用要求收取或交付一項非金融項目而訂立及持續持有的商品合約乃按成本持有。

衍生工具公平值變動產生的收益或虧損直接計入損益表。

2.4 Summary of Significant Accounting Policies (continued)**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)**存貨**

存貨按成本值與可變現淨值兩者的較低者列賬。若是在製產品及成品，成本值按加權平均法計算，包括直接物料成本、直接勞動成本及固定成本中的適當部份。可變現淨值乃根據估計售價扣除完成及出售時預期產生的任何估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括庫存現金、活期存款及可隨時轉換為已知數額現金、價值變動風險極微及一般自購入後三個月內到期的短期高流動性投資，撇除按要求償還的銀行透支，成為本集團現金管理的組成部份。

就財務狀況表而言，現金及現金等價物包括用途不受限制的庫存現金與存放銀行現金（包括定期存款）。

撥備

倘若因過往事件導致現有債務（法定或推定）及日後可能需要有資源流出以償還債務，則確認撥備，但必須能可靠估計有關債務金額。

倘若折現的影響重大，則確認的準備金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額，列作財務費用計入損益表。

2.4 Summary of Significant Accounting Policies (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他全面收益或權益內直接確認。

即期稅項資產及負債，乃根據於報告期末已頒佈或已實際頒佈的稅率（及稅法），並考慮本集團業務所在國家的現有詮釋及慣例，按預期自稅務機構退回或付予稅務當局的金額計算。

遞延稅項採用負債法就於報告期末資產及負債的稅基與兩者用作財務報告的賬面值之間的所有暫時差額計提準備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併的交易中初次確認商譽或一項資產或負債而產生，並於交易時並不影響會計利潤或應課稅利潤或虧損；及
- 就與於附屬公司、聯營公司及合營企業投資有關的應課稅暫時差額而言，暫時差額的撥回時間為可控制，而該等暫時差額於可見將來可能不會撥回。

2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損的結轉而確認。遞延稅項資產以將有應課稅利潤以動用可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損的結轉以作對銷為限，惟下列情況除外：

- 與可扣稅暫時差額有關的遞延稅項資產乃因在一項並非業務合併的交易中初次確認資產或負債而產生，並於交易時並不影響會計利潤及應課稅利潤或虧損；及
- 就與於附屬公司、聯營公司及合營企業投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回以及將有應課稅利潤以動用暫時差額以作對銷的情況下，方予確認。

於各報告期末審閱遞延稅項資產的賬面值，並在不再可能有足夠應課稅利潤以動用全部或部份遞延稅項資產時，相應扣減該賬面值。未被確認的遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅利潤以收回全部或部份遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間的稅率，根據於報告期末已頒佈或實際上已頒佈的稅率（及稅法）計算。

遞延稅項資產可與遞延稅項負債對銷，當且僅當本集團有可合法執行權利以對銷即期稅項資產及即期稅項負債的，而遞延稅項及遞延負債與同一稅務當局對同一課稅實體或不同應課稅實體（計劃在預期待有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準清償即期稅項負債及資產，或同時變現資產及清償負債）征收的所得稅有關。

2.4 Summary of Significant Accounting Policies (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 主要會計政策概要 (續)

政府補貼

政府補貼於可合理地確定將會收取補貼及將符合所有附帶條件時按公平值確認。如補貼涉及開支項目，則會於其擬補貼的成本列為支銷的期間有系統地確認為收入。

如補貼與資產有關，則其公平值會計入遞延收入賬中，並按有關資產的預計可使用年期以每年等額分期款項撥入損益表，或其公平值從資產的賬面值中扣減並透過扣減的折舊開支而轉撥至損益表。

收入確認 (自2018年1月1日起適用)

客戶合約收入

客戶合約收入於貨品或服務的控制權轉讓至客戶時確認，其金額反映本集團預期就交換該等貨品或服務而有權獲得的代價。

倘合約代價包括可變動金額，則代價金額按本集團將貨品或服務轉讓至客戶作為交換而有權獲得的金額估計。可變動代價於合約開始時估計，並受限制，直至已確認的累計收入金額於可變動代價的有關不明朗因素其後解決時極大可能不會出現重大收入撥回為止。

倘合約包含融資部份，可就將貨品或服務轉讓至客戶提供為期超過一年的融資，從而給客戶帶來重大利益，則於合約開始時收入按應收金額的現值計量，並按本集團與客戶間的獨立融資交易反映的貼現率貼現。倘合約包含融資部份，可給本集團帶來為期超過一年的重大融資利益，則根據合約確認的收入包括合約負債按實際利率法計算的利息開支。就客戶付款與轉讓規定貨品或服務之間的期限為一年或以內的合約而言，交易價格採用香港財務報告準則第15號項下不就重大融資部份的影響作出調整的實務。

**2.4 Summary of Significant Accounting Policies
(continued)****Revenue recognition (applicable from 1 January 2018)
(continued)***Revenue from contracts with customers (continued)*

Sale of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products.

Some contracts for the sale of industrial products provide customers with volume rebates. The volume rebates give rise to variable consideration.

(i) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

2.4 主要會計政策概要 (續)**收入確認 (自2018年1月1日起適用) (續)***客戶合約收入 (續)*

銷售工業產品

銷售工業產品的收入於資產控制權轉讓至客戶的特定時間點 (一般為交付該等工業產品時) 確認。

部份銷售工業產品的合約向客戶提供批量回扣。批量回扣導致可變動代價產生。

(i) 批量回扣

倘客戶於期內購買的產品數量超過合約規定的最低限量，本集團將向其提供追溯批量回扣。回扣可抵扣客戶的應付金額。為估計預期未來回扣的可變動代價，設有單一最低限量的合約採用最可能的金額方法，設有多個最低限量的合約採用預期價值方法。選定預測可變動代價金額的最佳方法主要受合約設定的最低限量數目帶動。本集團應用約束可變動代價之估計的規定，並就預期未來回扣確認退款負債。

2.4 Summary of Significant Accounting Policies (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial assets; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

2.4 主要會計政策概要 (續)

收入確認 (自2018年1月1日起適用) (續)

其他收入來源

租金收入按租賃年期的時間比例確認。

其他收入

利息收入按應計基準以實際利率法利用將金融工具在預計可用年期期間或更短期間 (如適當) 估計在日後收取的現金準備折現至金融資產賬面淨值的利率確認。

股息收入於股東收取付款的權利確立，股息隨附的經濟利益將流入本集團且股息金額能可靠地計量時確認。

收入確認 (於2018年1月1日之前適用)

當經濟利益有可能流入本集團及當收入能可靠地計量時，收入會按下列基準確認：

- (a) 銷售貨品所得的收入於所有權的重大風險及回報已轉移至買方時確認，但本集團對所售貨品必須不再享有通常與所有權相關的管理權，也不得再有實際控制權；
- (b) 租金收入按租賃年期的時間比例確認；
- (c) 利息收入按應計基準以實際利率法利用將金融工具在預計可用年期期間或更短期間 (如適當) 估計在日後收取的現金準備折現至金融資產賬面淨值的利率確認；及
- (d) 股息收入於確立股東收取付款的權利時確認。

**2.4 Summary of Significant Accounting Policies
(continued)****Contract liabilities (applicable from 1 January 2018)**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Refund liabilities (applicable from 1 January 2018)

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.4 主要會計政策概要 (續)**合約負債 (自2018年1月1日起適用)**

合約負債是向客戶轉移貨品或服務的責任，本集團已就該責任向客戶收取代價 (或應付代價金額)。倘客戶在本集團轉移貨品或服務予該客戶前支付代價，則合約負債於作出付款或付款到期支付時 (以較早者為準) 予以確認。合約負債於本集團履行合約時確認為收入。

退款負債 (自2018年1月1日起適用)

退款負債指退還部份或全部已收 (或應收) 客戶代價的責任，按本集團最終預期將退還客戶的金額計量。本集團於各報告期末更新其估計退款負債 (及交易價格的相應變動)。

2.4 Summary of Significant Accounting Policies (continued)

Employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentages of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 23.4% has been applied to the expenditure on the individual assets.

2.4 主要會計政策概要 (續)

僱員福利

退休金計劃

本集團亦根據強制性公積金計劃條例，為其所有僱員設立一項定額供款之強制性公積金退休福利計劃（「強積金計劃」）。供款按僱員有關薪金之某一百分比作出，並於按照強積金計劃之規則應付時於損益表支銷。強積金計劃之資產與本集團之資產分開，由獨立管理基金持有。本集團向強積金計劃作出之僱主供款，在作出時已全數歸僱員所有。

本集團於中國內地所經營附屬公司的僱員，須參與當地地方政府設立的中央退休金計劃。該等附屬公司須按彼等薪酬成本的若干百分比向中央退休金計劃供款。有關供款乃根據中央退休金計劃的規則於應付時在損益表中扣除。

借貸成本

可直接分配至購買、建築或生產合資格資產（即需要一段長時間方可達致擬定用途或出售之資產）之借貸成本被資本化為該等資產之部份成本。當資產已大致可作擬定用途或出售時，借貸成本將會停止資本化。特定用於合資格資產的借貸在尚未支銷時用作臨時投資所得之投資收入，於資本化之借貸成本中扣除。所有其他借貸成本於其產生期間支銷。借貸成本包括實體因有關借貸資金產生的利息及其他成本。

若已借取非特定用途借款以取得合資格資產，則對個別資產開支採用23.4%的資本化率。

2.4 Summary of Significant Accounting Policies (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB. The functional currency of the Company is the Hong Kong dollar. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要 (續)

股息

末期股息於股東大會上獲股東批准後確認為負債。建議末期股息披露於財務報表附註內。

因本公司章程大綱及細則授權董事宣派中期股息，故中期股息同時獲建議及宣派。因此，中期股息於建議及宣派後隨即確認為負債。

外幣

該等財務報表均以人民幣呈列，本公司的功能貨幣為港元。本集團內的實體各自決定其功能貨幣，各實體的財務報表項目均以所定功能貨幣計量。本集團實體入賬的外幣交易初始按交易日當日的有關功能貨幣的匯率換算入賬。以外幣為計價單位的貨幣資產及負債，按有關功能貨幣於報告期末的匯率進行換算。結算或兌換貨幣項目產生之差額於損益表確認。

按照歷史成本以外幣計量之非貨幣項目使用初次交易之日之匯率兌換。按照公平值以外幣計量之非貨幣項目利用計量公平值之日之匯率兌換。兌換以公平值計量之非貨幣項目產生之損益之處理方式與確認項目之公平值變動產生之損益之處理方式一致（即其公平值損益於其他全面收入或損益確認之匯兌差額亦分別於其他全面收入或損益中確認）。

2.4 Summary of Significant Accounting Policies (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas entities of the Group are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.4 主要會計政策概要 (續)

外幣 (續)

為釐定於終止確認預付代價相關的非貨幣資產或非貨幣負債時初始確認相關資產、開支或收入的匯率，初次交易之日為本集團初始確認預付代價產生的非貨幣資產或非貨幣負債之日。倘多次預先付款或收款，本集團會就每次支付或收取預付代價釐定交易日期。

本集團若干海外實體之功能貨幣並非人民幣。於報告期結束時，這些實體的資產和負債按照報告期結束時的匯率折算成本呈列為人民幣，而其損益表按照年內加權平均匯率折算成人民幣。

所產生的匯兌差額於其他全面收入表確認，並於匯兌波動儲備累計。於出售外國業務時，與該特定外國業務有關之其他全面收入部份於損益表內確認。

因收購海外業務而產生的任何商譽及對因收購產生的資產及負債賬面值的任何公平值調整，均被視為該海外業務的資產及負債，並以結算匯率換算。

就綜合現金流量表而言，海外附屬公司的現金流按照現金流發生當日的匯率折算成人民幣。海外附屬公司於整個年度中產生之經常性現金流量按該年度之加權平均匯率換算成人民幣。

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgement that significantly affects the determination of the amount of revenue from contracts with customers:

- (i) Determining the method to estimate variable consideration and assessing the constraint for the sale of industrial products

Certain contracts for the sale of industrial products include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

In estimating the variable consideration for the sale of industrial products with volume rebates, the Group determined that using a combination of the most likely amount method and the expected value method is appropriate. The selected method that better predicts the amount of variable consideration related to volume rebates is primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

3. 重大會計判斷及估計

本集團財務報表的編製需要管理層作出影響收入、開支、資產及負債呈報金額及彼等隨附之披露以及或然負債之披露的判斷、估計及假設。該等假設及估計的不明朗因素會導致未來須對受影響資產及負債的賬面值進行重大調整。

判斷

在應用本集團會計政策的過程中，管理層已作出下列重大判斷（涉及估計者除外），該等判斷對於財務報表內確認的金額產生最大影響：

客戶合約收入

本集團採用下列對釐定客戶合約收入的金額有重大影響的判斷：

- (i) 釐定可變動代價的估計方法及評估銷售工業產品的限制

部份銷售工業產品的合約涵蓋批量回扣，從而導致可變動代價產生。於估計可變動代價時，本集團須採用預期價值方法或最可能的金額方法，依據為何種方法為預測本集團將有權獲得的代價金額的最佳方法。

於估計銷售工業產品（隨帶批量回扣）的可變動代價時，本集團認定聯合採用最可能的金額方法及預期價值方法較為適宜。選定更貼切預測批量回扣相關可變動代價金額的方法主要受合約設定的最低限量數目帶動。最可能的金額方法用於設有單一最低限量的合約，預期價值方法則用於設有多個最低限量的合約。

3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Revenue from contracts with customers (continued)

(i) (continued)

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

3. 重大會計判斷及估計 (續)

判斷 (續)

客戶合約收入 (續)

(i) (續)

將任何可變動代價金額計入交易價格之前，本集團會考慮可變動代價金額是否受限制。根據其歷史經驗、業務前景及現行經濟狀況，本集團認定估計可變動代價並無受限制。此外，可變動代價的有關不明朗因素將於短期內解決。

劃分投資物業及業主自佔物業

本集團須判斷物業是否屬投資物業，並制定出此類判斷的標準。投資物業乃持作收取租金或資本增值或同時為這兩個目的而持有的物業。憑此，本集團考慮一項物業產生的現金流是否大部份獨立於本集團持有的其他資產。部份物業被持有作賺取租金或資本增值用途，另一部份則被持有作生產貨物或提供服務或行政用途。倘若此等部份可分別出售（或根據融資租賃條款分別出租），本集團則對此等部份分別記賬。倘若此等部份不能分別出售，則只能於一小部份作生產貨物或提供服務或行政用途時，該項物業方為投資物業。判斷乃按照個別物業基準作出，以釐定配套服務是否重要，以致物業不符合投資物業之資格。

估計不明朗因素

涉及未來的主要假設及於報告期末估計不明朗因素的其他主要來源（前述因素均擁有導致於下個財政年度就資產及負債的賬面值作出大幅調整的重大風險）討論如下。

3. Significant Accounting Judgements and Estimates (continued)**Estimation uncertainty (continued)***Variable consideration for volume rebates*

The Group estimates variable consideration to be included in the transaction price for the sale of industrial products with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will likely be entitled to a rebate depends on the customer's historical rebate entitlement and accumulated purchases to date.

The Group applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future. As at 31 December 2018, the amount recognised as rebate liabilities was RMB5,955,000 for the expected volume rebates.

3. 重大會計判斷及估計 (續)**估計不明朗因素 (續)***批量回扣的可變動代價*

本集團會估計將計入銷售工業產品(隨帶批量回扣)的交易價格的可變動代價。

就設有單一最低限量的合約，本集團根據各個客戶對其預期批量回扣進行分析。釐定客戶是否有權獲得回扣取決於客戶的歷史回扣配額及迄今的累計採購量。

就設有多個最低限量的合約，本集團採用統計模式以估計預期批量回扣。該模式採用客戶的歷史採購模式及回扣配額釐定預期回扣百分比及可變動代價的預期價值。經驗較客戶的歷史採購模式及回扣配額出現任何重大變動均會影響本集團估計的預期回扣百分比。

本集團每季更新其對預期批量回扣的評估，並相應調整退款負債。預期批量回扣的估計極易受環境變動的影響。本集團有關回扣配額的過往經驗並不代表客戶未來的實際回扣配額。於2018年12月31日，就預期批量回扣確認作回扣負債的金額為人民幣5,955,000元。

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the financial statements.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was RMB233,973,000 (2017: RMB233,973,000). Further details are given in note 15 to the financial statements.

3. 重大會計判斷及估計 (續)

估計不明朗因素 (續)

貿易應收款的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款的預期信貸虧損撥備。撥備率乃基於具有類似虧損模式的多個客戶分類組別的逾期天數釐定。

撥備矩陣最初基於本集團的歷史觀察違約率。本集團將通過調整矩陣以調整歷史信用損失經驗與前瞻性資訊。例如，如果預測經濟狀況（如國內生產總值）將在未來一年內惡化，這可能導致製造行業違約數量增加，歷史違約率將得到調整。於每個報告日期，歷史觀察到的違約率都會被更新，並分析未來其可能發生的變化。

對歷史觀察到的違約率、預測的經濟狀況及預期信貸虧損之間的相關性的評估是一個重要的估計。預期信貸虧損的金額對環境的變化和預測的經濟狀況很敏感。本集團的歷史信貸虧損經驗和對經濟狀況的預測也可能無法代表客戶未來的實際違約。有關本集團貿易應收款的預期信貸虧損的資料披露於財務報表附註20。

商譽減值

本集團至少按年基準評估商譽是否出現減值。該過程需要估計獲分配商譽的現金產生單位的使用價值。本集團須於估計使用價值時對現金產生單位的預期未來現金流量作出估計，亦須選用合適的貼現率以計算該等現金流量的現值。於2018年12月31日，商譽的賬面金額為人民幣233,973,000元（2017年：人民幣233,973,000元）。進一步詳情載於財務報表附註15。

3. Significant Accounting Judgements and Estimates (continued)**Estimation uncertainty (continued)***Income taxes*

The Group is mainly subject to income taxes in the PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets

As at 31 December 2018, the Group had deferred tax assets of RMB23,600,000 (2017: RMB21,731,000). To the extent it is probable that taxable profit will be available against which the deductible temporary differences will be utilised, deferred tax assets are recognised for temporary differences arising from impairment provisions for property, plant and equipment, inventories and receivables, decelerated tax depreciation and amortisation, certain accrual items and unused tax losses.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2018 was RMB10,310,000 (2017: RMB9,399,000). The amount of unrecognised tax losses at 31 December 2018 was RMB57,880,000 (2017: RMB64,340,000). Further details are contained in note 27 to the financial statements.

3. 重大會計判斷及估計 (續)**估計不明朗因素 (續)***所得稅*

本集團主要需於中國繳納所得稅。在確定所得稅之撥備時須作出重大判斷。在日常業務過程中，很多交易及計算乃未能確定最終落實的稅款。本集團須估計未來是否繳納額外稅項，以就預期稅務審核事宜確認負債。倘該等事宜之最終稅務結果與起初記錄入賬的金額不同，該等差額將會影響確定撥備期間之所得稅及遞延稅款撥備。

遞延稅項資產

於2018年12月31日，本集團有遞延稅項資產人民幣23,600,000元(2017年：人民幣21,731,000元)。遞延稅項資產乃就物業、廠房及設備、存貨及應收款，遞減稅項折舊及攤銷、若干應計項目及未使用稅務虧損計提之減值撥備產生臨時性差異確認，惟僅於很可能有應課稅利潤抵扣可扣減臨時性差異為限。

在很可能有應課稅利潤來抵扣虧損的限度內，應就所有未利用的稅務虧損確認遞延稅項資產。這需要管理層運用大量的判斷來估計未來應課稅利潤發生的時間和金額，結合課稅籌劃策略，以決定可予以確認的遞延稅項資產的金額。於2018年12月31日，與已確認稅務虧損有關的遞延稅項資產賬面值為人民幣10,310,000元(2017年：人民幣9,399,000元)。於2018年12月31日，未確認的稅務虧損金額為人民幣57,880,000元(2017年：人民幣64,340,000元)。更多詳情載於財務報表附註27。

4. 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) Tinsplate packaging — the Group uses tinsplate as the main raw material for its tinsplate packaging products, which include three-piece beverage cans, food cans (including milk powder cans), aerosol cans, metal caps, printed and coated tinsplates, steel barrels, round and square shaped cans 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 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.

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

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Tinsplate packaging	馬口鐵包裝	3,521,944	3,268,923
Aluminium packaging	鋁製包裝	2,461,200	2,184,129
Plastic packaging	塑膠包裝	608,163	525,186
		6,591,307	5,978,238

Information about a major customer

Revenue of approximately RMB480,634,000 (2017: RMB615,803,000) was derived from sales of goods to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. 經營分部信息

就管理而言，本集團有一個經營分部 — 包裝產品，可按其產品及服務以三個業務單位分析如下：

- (a) 馬口鐵包裝 — 本集團使用馬口鐵作為其馬口鐵包裝產品的主要原材料，其中包括三片飲料罐、食品罐（包括奶粉罐）、氣霧罐、金屬蓋、印塗鐵、鋼桶、方圓罐及其他金屬包裝；
- (b) 鋁製包裝 — 本集團使用鋁作為其鋁製包裝產品的主要原材料，主要包括兩片飲料罐及單片罐；及
- (c) 塑膠包裝 — 本集團的塑膠包裝產品主要用於奶瓶、洗髮水瓶、電子產品的塑膠附件、日用五金、包裝印刷、運動飲料瓶及相關塑膠製品。

管理層單獨監察本集團業務單位的業績，以就資源分配及表現評估作出決定。業務單位的表現乃按收入進行評估，如下表所述：

有關主要客戶的資料

收入約人民幣480,634,000元（2017年：人民幣615,803,000元）來自向單一客戶銷售商品，包括向一組與該客戶受共同控制的實體銷售。

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5. Revenue, Other Income and Gains – Net

An analysis of revenue is as follows:

	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Revenue from contracts with customers 客戶合約收入		
Sale of goods 銷售貨品	6,591,307	5,978,238

Revenue from contracts with customers

(i) Disaggregated revenue information

		For the year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Type of goods	商品類別		
Tinplate packaging	馬口鐵包裝	3,521,944	3,268,923
Aluminium packaging	鋁製包裝	2,461,200	2,184,129
Plastic packaging	塑膠包裝	608,163	525,186
Total revenue from contracts with customers	客戶合約收入總額	6,591,307	5,978,238
Geographical markets	地域市場		
Mainland China	中國內地	6,422,751	5,801,272
Overseas	海外	168,556	176,966
Total revenue from contracts with customers	客戶合約收入總額	6,591,307	5,978,238

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

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 180 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

5. 收入、其他收入及收益 – 淨額

以下是收入的分析：

	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Revenue from contracts with customers 客戶合約收入		
Sale of goods 銷售貨品	6,591,307	5,978,238

客戶合約收入

(i) 分拆收入資料

		For the year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Type of goods	商品類別		
Tinplate packaging	馬口鐵包裝	3,521,944	3,268,923
Aluminium packaging	鋁製包裝	2,461,200	2,184,129
Plastic packaging	塑膠包裝	608,163	525,186
Total revenue from contracts with customers	客戶合約收入總額	6,591,307	5,978,238
Geographical markets	地域市場		
Mainland China	中國內地	6,422,751	5,801,272
Overseas	海外	168,556	176,966
Total revenue from contracts with customers	客戶合約收入總額	6,591,307	5,978,238

本集團的所有客戶合約收入均於商品轉讓的特定時間點確認。

(ii) 履約責任

本集團履約責任之資料概述如下：

銷售工業產品

履約責任於工業產品交付時即告完成，賬款通常須於交付後30至180天內到期付支，惟新客戶大多須預先付款。部分合約向客戶提供批量回扣，從而導致可變動代價（須受限制）。

5. Revenue, Other Income and Gains – Net
(continued)

5. 收入、其他收入及收益 – 淨額

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other income	其他收入		
Bank interest income	銀行利息收入	6,942	8,280
Interest income from COFCO Finance (Note 36 (a))	來自中糧財務的利息收入 (附註36 (a))	2,948	4,183
Interest income from an associate (Note 36 (a))	來自一家聯營公司的 利息收入 (附註36 (a))	2,384	780
Government grants*	政府補貼*	24,761	27,564
Gross rental income	租金收入總額	1,055	–
		38,090	40,807
Gains – net	收益 – 淨額		
(Loss)/gain on disposal of items of property, plant and equipment	出售物業、廠房及 設備項目 (虧損)/ 收益	(1,901)	11,939
Foreign exchange differences, net	外匯差額淨額	8,562	(11,339)
Other gains	其他收益	8,651	8,226
		15,312	8,826
		53,402	49,633

* The government grants are granted by the PRC's local authority to support local companies. There are no unfulfilled conditions or contingencies relating to these grants.

* 政府補貼乃由中國當地政府授予以支持當地公司。這些補貼並無尚未達成的條件或或有事項。

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CASH FLOWS
綜合現金流量表

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6. Profit Before Income Tax

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

6. 除所得稅前利潤

本集團除所得稅前利潤乃經扣除／(計入)以下項目後達致：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cost of inventories sold	已出售存貨成本	5,633,213	5,018,252
Realised and unrealised fair value (gains)/losses on derivative financial instruments, net	衍生金融工具已變現及未變現公平值淨(收益)/虧損	(12,001)	1,497
Reversal of provision against inventories	撤銷存貨撥備	-	(2,402)
Cost of sales	銷售成本	5,621,212	5,017,347
Depreciation	折舊	296,353	263,570
Amortisation of land lease payments	土地租賃款攤銷	7,618	7,660
Amortisation of other intangible assets	其他無形資產攤銷	4,802	4,353
Research and development costs: Current year expenditure	研發成本： 本年度開支	11,561	16,818
Minimum lease payments under operating leases	經營租賃下最低租金	10,443	14,480
Auditor's remuneration: Audit service	核數師酬金： 核數服務	1,950	1,750
Non-audit services	非核數服務	800	1,050
		2,750	2,800
Impairment of financial and contract assets, net:	金融及合約資產減值淨額：		
Impairment/(reversal of impairment) of trade receivables, net*	貿易應收款減值／(減值撥回)淨額*	513	(14)
Reversal of impairment of financial assets included in prepayments, other receivables and other assets*	計入預付款、其他應收款及其他資產的金融資產減值撥回*	(6)	(91)
Employee benefit expense (including directors' and chief executive's remuneration):	僱員福利費用(包括董事及主要行政人員酬金)：		
Wages and salaries	工資及薪金	538,748	488,698
Pension scheme contributions**	退休金計劃供款**	47,519	50,270
Other benefits	其他福利	39,807	33,017
		626,074	571,985

* The impairment (reversal of impairment) of trade receivables, prepayments and other receivables is included in administrative expenses in the consolidated statement of profit or loss.

** As at 31 December 2018, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2017: Nil).

* 貿易應收款、預付款及其他應收款減值(減值撥回)已計入綜合損益表內之行政費用。

** 於2018年12月31日，本集團並無已沒收供款可供扣減其未來年度之退休金計劃供款(2017年：無)。

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7. Finance Costs

An analysis of finance costs is as follows:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on bank loans	銀行貸款利息	117,483	73,004
Interest on borrowings from a non-controlling shareholder of a subsidiary	應付一間附屬公司一名非控股股東的借貸利息	448	–
Less: Interest capitalised	減：資本化利息	(27,565)	(29,165)
		90,366	43,839

8. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c), and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		Group	
		本集團	
		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fees	袍金	1,070	1,083
Other emoluments:	其他薪酬：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,642	1,656
Performance related bonuses*	表現獎勵花紅*	1,071	2,287
Pension scheme contributions	退休金計劃供款	202	193
		2,915	4,136
		3,985	5,219

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

* 本公司若干執行董事可獲發參考本集團營運業績而釐定之花紅。

7. 財務費用

下列為財務費用分析：

8. 董事及主要行政人員之酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部，年內董事及主要行政人員之酬金披露如下：

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8. Directors' and Chief Executive's Remuneration (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Mr. Cheng Yuk Wo	鄭毓和先生	300	303
Mr. Fu Tingmei	傅廷美先生	300	303
Mr. Pun Tit Shan	潘鐵珊先生	300	303
		900	909

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

8. 董事及主要行政人員之酬金 (續)

(a) 獨立非執行董事

年內付予獨立非執行董事的袍金如下：

年內並無應付予獨立非執行董事的其他薪酬(2017年：無)。

(b) Executive directors, non-executive directors and the chief executive

		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 RMB'000 人民幣千元	Performance related bonuses 表現獎勵 花紅 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total remuneration 總計酬金 RMB'000 人民幣千元
2018	2018年					
Executive directors:	執行董事：					
Mr. Zhang Xin	張新先生	-	979	575	122	1,676
Mr. Zhang Ye	張擘先生	-	663	496	80	1,239
		-	1,642	1,071	202	2,915
Non-executive directors:	非執行董事：					
Mr. Zhou Yuan	周原先生	85	-	-	-	85
Mr. Shen Tao	沈陶先生	85	-	-	-	85
Ms. Yu Youzhi	余友枝女士	-	-	-	-	-
Mr. Chen Qianzheng	陳前政先生	-	-	-	-	-
		170	1,642	1,071	202	3,085

(b) 執行董事、非執行董事及主要行政人員

8. Directors' and Chief Executive's Remuneration (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	袍金	薪金、津貼及 實物福利	表現 獎勵花紅	退休金 計劃供款	總計酬金	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
2017	2017年					
Executive directors:	執行董事：					
Mr. Zhang Xin	張新先生	-	993	1,235	115	2,343
Mr. Zhang Ye	張擘先生	-	663	1,052	78	1,793
		-	1,656	2,287	193	4,136
Non-executive directors:	非執行董事：					
Mr. Zhou Yuan	周原先生	87	-	-	-	87
Mr. Shen Tao	沈陶先生	87	-	-	-	87
Mr. Li Jian ¹	李建先生 ¹	-	-	-	-	-
Ms. Yu Youzhi ¹	余友枝女士 ¹	-	-	-	-	-
Mr. Chen Qianzheng	陳前政先生	-	-	-	-	-
		174	1,656	2,287	193	4,310

¹ On 15 August 2017, Mr. Li Jian resigned as the Company's non-executive director, and Ms. Yu Youzhi was appointed as the Company's non-executive director.

There was no arrangement under which a director or the chief executive waived or agreed to waive remuneration during the year.

8. 董事及主要行政人員之酬金 (續)

(b) 執行董事、非執行董事及主要行政人員 (續)

¹ 於2017年8月15日，李建先生辭任本公司非執行董事，而余友枝女士獲任為本公司非執行董事。

年內並無董事根據任何安排放棄或同意放棄酬金。

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9. Five Highest Paid Employees

The five highest paid employees during the year included two directors (2017: two directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2017: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,286	1,546
Performance related bonuses	表現獎勵花紅	1,232	1,905
Pension scheme contributions	退休金計劃供款	241	235
		2,759	3,686

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2018	2017
Nil to HK\$1,000,000	零港元至1,000,000港元	2	–
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	–	1
		3	3

9. 五名薪酬最高的僱員

年內五名薪酬最高的僱員包括兩名董事（2017年：兩名董事），其薪金詳情已載於上文附註8。年內其餘三名（2017年：三名）最高薪酬非本公司董事或主要行政人員僱員的酬金詳情如下：

酬金在以下範圍內之既非董事亦非首席執行官之最高薪僱員之數目如下：

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10. Income Tax

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2017: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

10. 所得稅

年內由於本集團於香港並無產生任何應課稅利潤，故並無就香港利得稅作出撥備（2017年：無）。其他地方的應課稅利潤按本集團業務所在司法權區的現行稅率計算。

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Current – Mainland China	本期 – 中國內地		
Charge for the year	年內支出	86,322	103,021
Overprovision in prior years	過往年度超額撥備	(3,806)	(2,614)
Deferred (Note 27)	遞延 (附註27)	(2,040)	(2,049)
Total tax charge for the year	年內稅項總支出	80,476	98,358

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before income tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

以本公司及其大部份附屬公司註冊司法權區的法定利率按除所得稅前利潤／(虧損)計算的稅務開支／(抵免)與根據實際稅率計算之稅務開支之對賬如下：

2018

2018年

		Hong Kong 香港 RMB'000 人民幣千元	Mainland China 中國內地 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Profit/(loss) before income tax	除所得稅前利潤／(虧損)	(2,203)	347,951	345,748
Tax at the statutory tax rates*	按法定稅率計算之稅項*	(364)	86,988	86,624
Profit not subject to tax due to concessions**	因稅項優惠毋須繳稅的利潤**	-	(4,456)	(4,456)
Expenses not deductible for tax	不可扣稅之開支	-	1,013	1,013
Adjustments in respect of current tax of previous periods	以往期間即期稅項調整	-	(3,806)	(3,806)
Tax losses utilised from previous periods	動用過往期間的稅項虧損	-	(2,574)	(2,574)
Tax losses not recognised	未確認之稅項虧損	364	3,311	3,675
Tax charge at the Group's effective rate	本集團按實際稅率計算之稅項開支	-	80,476	80,476

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10. Income Tax (continued)

2017

		Hong Kong 香港 RMB'000 人民幣千元	Mainland China 中國內地 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Profit/(loss) before income tax	除所得稅前利潤/(虧損)	(2,940)	413,170	410,230
Tax at the statutory tax rates*	按法定稅率計算之稅項*	(485)	103,293	102,808
Profit not subject to tax due to concessions**	因稅項優惠毋須繳稅的利潤**	-	(4,310)	(4,310)
Loss attributable to an associate	應佔聯營公司虧損	-	4	4
Expenses not deductible for tax	不可扣稅之開支	-	10,094	10,094
Adjustments in respect of current tax of previous periods	以往期間即期稅項調整 動用過往期間的稅項虧損	-	(2,614)	(2,614)
Tax losses utilised from previous periods	未確認之稅項虧損	-	(14,571)	(14,571)
Tax losses not recognised	本年度確認的過往期間稅項虧損	485	6,462	6,947
Tax charge at the Group's effective rate	本集團按實際稅率計算之稅項開支	-	98,358	98,358

* 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 PRC income tax laws, enterprises are subject to corporate income tax ("CIT") at the rate of 25%. Two of the Group's subsidiaries operating in Mainland China have granted a preferential CIT rate of 15%, by the relevant tax authorities. Two of the Group's subsidiaries are qualified as high-tech enterprises in Mainland China, and the relevant tax authorities have granted the subsidiaries a preferential CIT rate of 15%. One of the Group's subsidiaries is qualified as a small enterprise earning low profits in Mainland China, and the relevant tax authorities have granted the subsidiary a preferential CIT rate of 10%.

10. 所得稅 (續)

2017年

	Hong Kong 香港 RMB'000 人民幣千元	Mainland China 中國內地 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Profit/(loss) before income tax	(2,940)	413,170	410,230
Tax at the statutory tax rates*	(485)	103,293	102,808
Profit not subject to tax due to concessions**	-	(4,310)	(4,310)
Loss attributable to an associate	-	4	4
Expenses not deductible for tax	-	10,094	10,094
Adjustments in respect of current tax of previous periods	-	(2,614)	(2,614)
Tax losses utilised from previous periods	-	(14,571)	(14,571)
Tax losses not recognised	485	6,462	6,947
Tax charge at the Group's effective rate	-	98,358	98,358

* 根據中國國家稅務總局於截至2013年12月31日止年度發出的批覆，自2013年1月1日起，本公司及其於香港及英屬維爾京群島註冊的大部份附屬公司被認定為中國居民企業（合稱「中國居民企業」），而該等中國居民企業適用中國企業所得稅的相關稅收政策。

** 根據中國所得稅法，企業應按25%的稅率繳納企業所得稅（「企業所得稅」）。本集團其中兩家附屬公司乃於中國內地經營，相關稅務機關授予該等附屬公司之優惠企業所得稅稅率為15%。本集團其中兩家附屬公司符合中國內地之高新技術企業資格，相關稅務機關授予該附屬公司之優惠企業所得稅稅率為15%。本集團其中一家附屬公司符合中國內地之小型微利企業資格，相關稅務機關授予該附屬公司之優惠企業所得稅稅率為10%。

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11. Dividends

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Interim – RMB0.060 (2017: RMB0.071) per ordinary share	中期 – 每股普通股人民幣 0.060元 (2017年：人民幣 0.071元)	70,474	83,394
Proposed final – RMB0.048 (2017: RMB0.061) per ordinary share	建議末期 – 每股普通股人民幣 0.048元 (2017年：人民幣 0.061元)	56,379	71,648
		126,853	155,042

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度建議末期股息有待於應屆股東週年大會上獲本公司股東批准。

12. 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 RMB255,061,000 (2017: RMB310,511,000) and the weighted average number of ordinary shares of 1,174,560,000 (2017: 1,174,560,000) in issue during the year.

12. 本公司普通股股本持有人應佔每股盈利

每股基本盈利的金額乃根據本年度的本公司普通股股本持有人應佔利潤人民幣255,061,000元(2017年：人民幣310,511,000元)及年內已發行普通股的加權平均數1,174,560,000股(2017年：1,174,560,000股)計算得出。

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company. 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.

每股攤薄盈利金額乃根據本公司普通股股本持有人應佔之年度利潤計算得出。於計算中使用之普通股加權平均數為用作計算每股基本盈利之年內已發行普通股數目，以及就視作行使全部潛在攤薄普通股為普通股假設無償發行之普通股加權平均數。

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12. Earnings per Share Attributable to Ordinary Equity Holders of the Company (continued)

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

12. 本公司普通股股本持有人應佔每股盈利(續)

每股基本及攤薄盈利計算乃基於：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Earnings			
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	盈利 用作計算每股基本盈利之本公司普通股股本持有人應佔利潤	255,061	310,511
		Number of shares 股份數目	
		2018 '000 千股	2017 '000 千股
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用作計算每股基本盈利之年內已發行普通股加權平均數	1,174,560	1,174,560

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13. Property, Plant and Equipment

13. 物業、廠房及設備

		Buildings	Leasehold improve- ments	Machinery and equipment	Vehicles	Electronic equipment, office equipment and fixtures	Construction in progress	Total
		樓宇	租賃物業 裝修	機器及 設備	運輸工具	電子設備、 辦公室設備 及裝置	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2018	2018年12月31日							
At 31 December 2017 and 1 January 2018:	於2017年12月31日及 2018年1月1日：							
Cost	成本	1,496,014	13,093	3,842,093	54,239	172,626	855,868	6,433,933
Accumulated depreciation and impairment	累計折舊及減值	(205,494)	(11,433)	(1,366,032)	(40,535)	(114,423)	-	(1,737,917)
Net carrying amount	賬面淨值	1,290,520	1,660	2,476,061	13,704	58,203	855,868	4,696,016
At 1 January 2018, net of accumulated depreciation and impairment	於2018年1月1日， 扣除累計折舊及 減值	1,290,520	1,660	2,476,061	13,704	58,203	855,868	4,696,016
Additions	添置	223	3,979	4,957	377	3,204	500,082	512,822
Disposals	出售	(434)	-	(2,963)	(398)	(673)	-	(4,468)
Depreciation provided during the year	於本年度折舊撥備	(50,573)	(998)	(220,651)	(4,931)	(19,200)	-	(296,353)
Transfers upon completion	完成時轉入	214,924	-	641,547	5,403	26,672	(888,546)	-
At 31 December 2018, net of accumulated depreciation and impairment	於2018年12月31日， 扣除累計折舊及 減值	1,454,660	4,641	2,898,951	14,155	68,206	467,404	4,908,017
At 31 December 2018:	於2018年12月31日：							
Cost	成本	1,710,033	15,528	4,475,719	57,054	198,837	467,404	6,924,575
Accumulated depreciation and impairment	累計折舊及減值	(255,373)	(10,887)	(1,576,768)	(42,899)	(130,631)	-	(2,016,558)
Net carrying amount	賬面淨值	1,454,660	4,641	2,898,951	14,155	68,206	467,404	4,908,017

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13. Property, Plant and Equipment (continued)

13. 物業、廠房及設備 (續)

	Buildings	Leasehold improvements	Machinery and equipment	Vehicles	Electronic equipment, office equipment and fixtures	Construction in progress	Total
	樓宇	租賃物業裝修	機器及設備	運輸工具	電子設備、辦公室設備及裝置	在建工程	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2017	2017年12月31日						
At 31 December 2016 and 1 January 2017:	於2016年12月31日及2017年1月1日:						
Cost	1,048,727	16,923	3,620,197	50,480	156,087	624,704	5,517,118
Accumulated depreciation and impairment	(155,125)	(14,180)	(1,190,734)	(38,527)	(101,939)	-	(1,500,505)
Net carrying amount	893,602	2,743	2,429,463	11,953	54,148	624,704	4,016,613
At 1 January 2017, net of accumulated depreciation and impairment	於2017年1月1日，扣除累計折舊及減值						
Additions	113	-	25,310	79	2,263	689,246	717,011
Disposals	(2,291)	(199)	(7,256)	(334)	(43)	-	(10,123)
Consolidation of subsidiaries (Note 31)	51,220	-	425	409	20	184,011	236,085
Depreciation provided during the year	(38,006)	(884)	(201,607)	(5,167)	(17,906)	-	(263,570)
Transfers upon completion	385,882	-	229,726	6,764	19,721	(642,093)	-
At 31 December 2017, net of accumulated depreciation and impairment	1,290,520	1,660	2,476,061	13,704	58,203	855,868	4,696,016
At 31 December 2017:	於2017年12月31日:						
Cost	1,496,014	13,093	3,842,093	54,239	172,626	855,868	6,433,933
Accumulated depreciation and impairment	(205,494)	(11,433)	(1,366,032)	(40,535)	(114,423)	-	(1,737,917)
Net carrying amount	1,290,520	1,660	2,476,061	13,704	58,203	855,868	4,696,016

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14. Prepaid Land Lease Payments

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日賬面值	316,087	284,656
Additions	添置	–	2,840
Acquisition of subsidiaries (Note 31)	收購附屬公司(附註31)	–	36,251
Recognised during the year	於年內確認	(7,618)	(7,660)
Carrying amount at 31 December	於12月31日賬面值	308,469	316,087
Current portion included in prepayments, other receivables and other assets (Note 21)	計入預付款、其他應收款 及其他資產的即期部分 (附註21)	(7,663)	(7,752)
Non-current portion	非即期部份	300,806	308,335

15. Goodwill

		RMB'000 人民幣千元
At 1 January 2017:	於2017年1月1日：	
Cost	成本	214,951
Accumulated impairment	累計減值	(7,000)
Net carrying amount	賬面淨值	207,951
Cost at 1 January 2017, net of accumulated impairment	於2017年1月1日之成本， 扣除累計減值	207,951
Acquisition of subsidiaries (Note 31)	收購附屬公司(附註31)	27,832
Exchange realignment	匯兌調整	(1,810)
At 31 December 2017	於2017年12月31日	233,973
At 31 December 2017:	於2017年12月31日：	
Cost	成本	240,973
Accumulated impairment	累計減值	(7,000)
Net carrying amount	賬面淨值	233,973
Cost at 1 January 2018, net of accumulated impairment	於2018年1月1日之成本，扣除累計減值	233,973
Cost and net carrying amount at 31 December 2018	於2018年12月31日之成本及賬面淨值	233,973
At 31 December 2018:	於2018年12月31日：	
Cost	成本	240,973
Accumulated impairment	累計減值	(7,000)
Net carrying amount	賬面淨值	233,973

14. 預付土地租賃款

15. 商譽

15. Goodwill (continued)**Impairment testing of goodwill**

Goodwill acquired through business combinations in the amounts of RMB57,305,000, RMB155,836,000 and RMB27,832,000 is allocated to the tinfoil packaging cash-generating unit, plastic packaging cash-generating unit and aluminium packaging cash-generating unit, respectively.

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Tinfoil packaging cash-generating unit
- Plastic packaging cash-generating unit
- Aluminium packaging cash-generating unit

Tinfoil packaging cash-generating unit

The recoverable amount of the tinfoil packaging cash-generating unit was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 15.1% and cash flows beyond the five-year period were extrapolated using a growth rate of 2%, which was the same as the long term average growth rate of the packaging industry.

Plastic packaging cash-generating unit

The recoverable amount of the plastic packaging cash-generating unit was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 15.1% and cash flows beyond the five-year period were extrapolated using a growth rate of 3%, which was the same as the long term average growth rate of the packaging industry.

In the opinion of the Company's directors, an increase in the discount rate by 5% to 15.9% would cause the carrying amount of the cash-generating unit to exceed its recoverable amount by approximately RMB30.7 million to RMB118.1 million, and any reasonably possible change in the other key assumptions on which the recoverable amount is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

15. 商譽 (續)**商譽減值測試**

透過業務合併收購金額為人民幣57,305,000元、人民幣155,836,000元及人民幣27,832,000元的商譽分別分配至馬口鐵包裝現金產生單位、塑膠包裝現金產生單位及鋁包裝現金產生單位。

透過業務合併收購的商譽已分配至以下現金產生單位以進行減值測試：

- 馬口鐵包裝現金產生單位
- 塑膠包裝現金產生單位
- 鋁包裝現金產生單位

馬口鐵包裝現金產生單位

馬口鐵包裝現金產生單位的可收回金額乃根據使用價值計算釐定，其使用基於高級管理層批准的五年期財政預算的現金流量預測。適用於現金流量預測的貼現率為15.1%，而於五年期間後的現金流量乃使用2%的增長率推斷，乃與包裝行業的長期平均增長率一致。

塑膠包裝現金產生單位

塑膠包裝現金產生單位的可收回金額乃根據使用價值計算釐定，其使用基於高級管理層批准的五年期財政預算的現金流量預測。適用於現金流量預測的貼現率為15.1%，而於五年期間後的現金流量乃使用3%的增長率推斷，乃與包裝行業的長期平均增長率一致。

本公司董事認為，貼現率增加5%至15.9%將導致現金產生單位的賬面值超過其可收回金額約人民幣30.7百萬元至人民幣118.1百萬元，而可收回金額所依據的其他關鍵假設的任何合理可能變動概不會導致現金產生單位的賬面值超過其可收回金額。

15. Goodwill (continued)

Impairment testing of goodwill (continued)

Aluminium packaging cash-generating unit

The recoverable amount of the aluminium packaging cash-generating unit was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 13.3% and cash flows beyond the five-year period were extrapolated using a growth rate of 2%, which was the same as the long term average growth rate of the packaging industry.

Assumptions were used in the value-in-use calculation of the tinplate packaging, plastic packaging and aluminium packaging cash-generating units as at 31 December 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – Management determined the budgeted gross margins based on past performance and its expectations for market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant cash-generating units.

Raw materials price inflation – The basis used to determine the value assigned to raw materials price inflation is the forecast price indices during the budget year for Mainland China from where the raw materials are sourced.

During the year ended 31 December 2015, due to the reduction in the expected growth rates of certain subsidiaries of Victoria Industrial Group which are principally engaged in plastic packaging, the directors of the Company considered that an impairment loss of RMB7,000,000 was recognised for the related goodwill with a carrying amount of RMB97,892,000.

15. 商譽 (續)

商譽減值測試 (續)

鋁包裝現金產生單位

鋁包裝現金產生單位的可收回金額乃根據使用價值計算釐定，其使用基於高級管理層批准的五年期財政預算的現金流量預測。適用於現金流量預測的貼現率為13.3%，而於五年期間後的現金流量乃使用2%的增長率推斷，乃與包裝行業的長期平均增長率一致。

計算馬口鐵包裝、塑膠包裝及鋁包裝現金產生單位於2018年12月31日的使用價值時採用假設。以下描述管理層於進行商譽減值測試時所採用的各項主要現金流量預測假設：

預算毛利率 – 管理層根據過往表現及對市場發展的預期釐定預算毛利率。

貼現率 – 所使用的貼現率為稅前及反映與相關現金產生單位有關的特定風險。

原材料價格通脹 – 用作釐定原材料價格通脹值的基準為中國內地（原材料採購地）的預算年度的預測價格指數。

截至2015年12月31日止年度，由於維港實業集團（主要經營塑料包裝）之若干附屬公司之預期增長率減少，本公司董事認為賬面值為人民幣97,892,000元之有關商譽已確認出現人民幣7,000,000元之減值虧損。

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16. Other Intangible Assets

16. 其他無形資產

		Customer relationship 客戶關係 RMB'000 人民幣千元	Patents and licences 專利及許可 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
31 December 2018	2018年12月31日				
Cost at 1 January 2018, net of accumulated amortisation	於2018年1月1日之成本，扣除累計攤銷	1,540	20,009	9,811	31,360
Additions	添置	–	–	2,396	2,396
Amortisation provided during the year	年內攤銷撥備	–	(2,760)	(2,042)	(4,802)
Disposal	處置	–	–	–	–
At 31 December 2018	於2018年12月31日	1,540	17,249	10,165	28,954
At 31 December 2018	於2018年12月31日				
Cost	成本	1,540	36,562	25,855	63,957
Accumulated amortisation	累計攤銷	–	(19,313)	(15,690)	(35,003)
Net carrying amount	賬面淨值	1,540	17,249	10,165	28,954
31 December 2017	2017年12月31日				
At 1 January 2017	於2017年1月1日				
Cost	成本	1,540	36,562	20,519	58,621
Accumulated amortisation	累計攤銷	–	(13,838)	(12,065)	(25,903)
Net carrying amount	賬面淨值	1,540	22,724	8,454	32,718
Cost at 1 January 2017, net of accumulated amortisation	於2017年1月1日之成本，扣除累計攤銷	1,540	22,724	8,454	32,718
Additions	添置	–	–	3,040	3,040
Amortisation provided during the year	年內攤銷撥備	–	(2,715)	(1,638)	(4,353)
Disposal	處置	–	–	(45)	(45)
At 31 December 2017	於2017年12月31日	1,540	20,009	9,811	31,360
At 31 December 2017:	於2017年12月31日：				
Cost	成本	1,540	36,562	23,459	61,561
Accumulated amortisation	累計攤銷	–	(16,553)	(13,648)	(30,201)
Net carrying amount	賬面淨值	1,540	20,009	9,811	31,360

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17. Investment in a Joint Venture

17. 於一家合營企業的投資

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Share of net assets	分佔淨資產	876,074	797,898
Goodwill on acquisition	收購時的商譽	1,167	1,167
		877,241	799,065
Other non-current receivables	其他非流動應收款	331,858	-
		1,209,099	799,065

In the opinion of the directors, the non-current receivables from the joint venture of RMB331,858,000 are considered as part of the Group's investment in the joint venture in accordance with the Capital Increase Agreement (as defined below).

董事認為，根據增資協議（定義見下文），應收合營企業的非流動款項人民幣331,858,000元視作本集團於合營企業的部分投資。

Particulars of the Group's material joint venture are as follows:

本集團主要合營企業的詳情如下：

Name 名稱	Place of registration and business 註冊及營業地點	Percentage of 下列各項所佔百分比			Profit sharing 應佔利潤	Principal activities 主要業務
		Ownership interest 所有權	Voting power 投票權			
Qingyuan JDB Herbal Plant Technology Co., Ltd. # ("Qingyuan JDB Herbal") 清遠加多寶草本植物科技 有限公司# ("清遠加多寶草本")	PRC/Mainland China 中國/中國內地	30.58	30.58	(note) (附註)	Research, development, production, processing and sale of non-alcoholic beverages 研究、開發、生產、加工及銷售非酒精飲料	

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並未由香港安永會計師事務所或安永會計師事務所全球網絡的另一間成員公司審核

Note:

附註：

On 30 October 2017, CPMC Investment, an indirect wholly-owned subsidiary of the Company, entered into a capital increase agreement (the "Capital Increase Agreement") with Wisdom Kingdom Limited, Wong Lo Kat Limited ("Wong Lo Kat") and Qingyuan JDB Herbal, pursuant to which, among others, CPMC Investment agreed to make a capital contribution of RMB2,000,000,000 to Qingyuan JDB Herbal in exchange for 30.58% equity interest therein, whilst Wong Lo Kat will inject the JDB Trademarks to Qingyuan JDB Herbal in exchange for 45.87% equity interest therein.

於2017年10月30日，本公司間接全資附屬公司中糧包裝投資與智首有限公司、王老吉有限公司（「王老吉公司」）及清遠加多寶草本訂立增資協議，據此（其中包括），中糧包裝投資將增資人民幣2,000,000,000元，從而持有清遠加多寶草本30.58%的股份；王老吉公司將向清遠加多寶草本注入加多寶商標，從而持有45.87%的股份。

According to the Capital Increase Agreement, CPMC Investment was ensured with a dividend of not less than 10% of the actual amount of the capital increase injected in Qingyuan JDB Herbal in the first year, and the distributed dividend shall increase year by year with a maximum amount of 20% of the actual amount of the then capital increase contributed by CPMC Investment ("Committed Dividend"). The rate of the Committed Dividend cannot be reduced after increased. The rate of the increase of the Committed Dividend will be generally contributable to the business and profitability of Qingyuan JDB Herbal in the upcoming years and determined annually.

根據增資協議，確保中糧包裝投資獲得的股息不低於第一年清遠加多寶草本實際增資金額的10%，所分配股息將逐年增加，最高限額為中糧包裝投資當時貢獻的實際增資額的20%（「承諾股息」）。承諾股息比例在增加後不能降低。承諾股息的增加幅度一般會對未來數年清遠加多寶草本的業務和盈利能力產生影響，並每年釐定。

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17. Investment in a Joint Venture (continued)

The Group had made capital contribution up to RMB877,241,000 as at 31 December 2018 (31 December 2017: RMB799,065,000). However, Wong Lo Kat had not injected the JDB trademarks to Qingyuan JDB Herbal as undertaken in the Capital Increase Agreement. Consequently, the Group had filed an arbitration application to the Hong Kong International Arbitration Centre on 6 July 2018 against Wong Lo Kat, Wisdom Kingdom and Qingyuan JDB Herbal, demanding these companies to continue executing the Capital Increase Agreement by fulfilling their capital increase obligations and compensate the Group for its losses due to their breach of contract. Since the arbitration is in progress and no dividend was either declared by Qingyuan JDB Herbal or compensated by Wong Lo Kat or Wisdom Kingdom Limited up to the date of these financial statements, no Committed Dividend was recognised during the year of 2018.

The Group's shareholding in Qingyuan JDB Herbal is held through a wholly-owned subsidiary of the Company.

Qingyuan JDB Herbal, which is considered a material joint venture of the Group, is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Qingyuan JDB Herbal adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements. The operating performance information for the years ended 31 December 2017 and 2018 of Qingyuan JDB Herbal disclosed below shows the full-year operating results.

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cash	現金	60,995	9,217
Other current assets	其他流動資產	2,404,028	2,109,114
Non-current assets, excluding goodwill	非流動資產 (不包括商譽)	609,141	659,711
Goodwill on acquisition of the joint venture	收購合營企業時的商譽	1,167	1,167
Current liabilities	流動負債	(291,891)	(394,517)
Non-current liabilities	非流動負債	(47,186)	(50,181)
Net assets	淨資產	2,736,254	2,334,511
Net assets, excluding goodwill	淨資產 (不包括商譽)	2,735,087	2,333,344
Proportion of the Group's ownership	本集團的所有權比例	30.58%	30.58%
Group's share of net assets of the joint venture, excluding goodwill	本集團應佔合營企業的淨資產 (不包括商譽)	876,074	797,898
Goodwill on acquisition	收購時的商譽	1,167	1,167
Carrying amount of the investment	投資的賬面值	877,241	799,065
Revenue	收入	304,273	480,138
(Loss)/profit and total comprehensive (loss)/income for the year	年度 (虧損)/利潤及全面 (虧損)/收入總額	(7,008)	44,001

17. 於一家合營企業的投資 (續)

於2018年12月31日，本集團已注入資本達人民幣877,241,000元 (2017年12月31日：人民幣799,065,000元)。然而，王老吉公司並無遵守增資協議所載承諾將向清遠加多寶草本注入加多寶商標。故此，本集團已於2018年7月6日向香港國際仲裁中心對王老吉公司、智首及清遠加多寶草本提出仲裁申請，責成該等公司繼續執行增資協議，履行彼等的增資責任，並就彼等違約對本集團造成的損失向本集團作出補償。由於截至本財務報表日期止仲裁仍在審理，清遠加多寶草本並未宣派股息，王老吉公司或智首有限公司均未作出補償，故2018年內並無確認承諾股息。

本集團於清遠加多寶草本的股權乃透過本公司全資附屬公司持有。

清遠加多寶草本 (被視為本集團之主要合營企業) 乃使用權益法入賬。

下表列示有關清遠加多寶草本之財務資料概要 (經就任何會計政策差異作出調整) 及與財務報表賬面值之對賬。以下披露的清遠加多寶草本截至2017年及2018年12月31日止年度經營業績資料為全年經營業績。

18. Investment in an Associate

18. 於一家聯營公司的投資

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Share of net assets	應佔淨資產	24,984	24,984

The entrusted loan to the associate is disclosed in note 36(b) to the financial statements.

貨予一家聯營公司之委託貸款於財務報表附註36(b)披露。

Particulars of the Group's associate that is not individually material:

本集團並非個別屬重大的聯營公司之詳情：

Name 名稱	Place of incorporation/ registration and business 註冊成立／登記及 營業地點	Percentage of ownership interest attributable to the Group 本集團應佔所有 權權益百分比	Principal activity 主要業務
Liaoning Zhong'an Can-making Co., Ltd (Liaoning Zhong'an) 遼寧中安製罐有限公司(「遼寧中安」)	PRC/Mainland China 中國／中國內地	25	Manufacture of metal packaging 製造金屬包裝

The Group's shareholding in the associate is held through a wholly-owned subsidiary of the Company.

本集團於聯營公司的股權乃透過本公司的全資附屬公司持有。

The following table illustrates the summarised financial information in respect of Liaoning Zhong'an Can-making Co., Ltd adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

下表列示有關遼寧中安製罐有限公司之財務資料概要(經就任何會計政策差異作出調整)及與財務報表賬面值之對賬：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	1,624	52
Other current assets	其他流動資產	70,877	94,676
Current assets	流動資產	72,501	94,728
Non-current assets, excluding goodwill	非流動資產(不包括商譽)	188,179	53,456
Current liabilities	流動負債	(169,580)	(73,249)
Non-current liabilities	非流動負債	(30,000)	-
Net assets	淨資產	61,100	74,935
Reconciliation to the Group's investment in the associate:	本集團於聯營公司的投資對賬：		
Proportion of the Group's ownership	本集團的所有權比例	25%	25%
Carrying amount of the investment	投資的賬面值	25,000	25,000
Revenue	收入	74,971	-
Loss and total comprehensive loss for the year	年度虧損及全面虧損總額	(10,377)	(65)

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18. Investment in an Associate (continued)

Pursuant to the Joint Venture Contract entered between CPMC Investment and Anshan Yong'an packaging industry Co. Ltd ("Anshan Yong'an"), CPMC was ensured with a preferential dividend amounting to 15% of its capital contribution in Liaoning Zhong'an in the year ended 31 December 2018. Starting from year 2019, the dividend will increase to 20% of its capital contribution until CPMC selects to vest its call option to increase capital investment at the then fair value to be mutually agreed and obtain the control of Liaoning Zhong'an in 2023. If there's any insufficient of profit generated from Anshan Yong'an, Anshan Yong'an should make up CPMC Investment for the shortfall and pay before May 31 in the following year. In case of excess profits, the excess profits shall be distributed according to the capital contribution ratio of both parties and shall be paid before May 31 in the following year. If CPMC Investment obtains the control of Liaoning Zhong'an in 2023, the preferential dividend term shall terminate accordingly. As Liaoning Zhong'an suffered loss during the year ended 31 December 2018, CPMC Investment did not recognise any share of losses of the associate or any preferential dividend income in the consolidated statement of profit or loss.

19. Inventories

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Raw materials	原材料	496,722	561,570
Work in progress	在製品	198,255	191,579
Finished goods	成品	387,109	332,378
Consumables	耗材	72,635	63,363
		1,154,721	1,148,890

20. Trade and Bills Receivables

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Trade and bills receivables from third-party customers	來自第三方客戶的貿易應收款及應收票據	1,575,232	1,520,496
Trade and bills receivables from related parties (Note 36(b))	來自關聯方的貿易應收款及應收票據 (附註36(b))	118,352	111,618
		1,693,584	1,632,114
Impairment	減值	(1,237)	(1,321)
		1,692,347	1,630,793

18. 於一家聯營公司的投資 (續)

根據中糧包裝投資與鞍山永安包裝工業有限公司(「鞍山永安」)訂立的合營協議，確保中糧包裝投資獲得的優先股息金額為其於截至2018年12月31日止年度向遼寧中安注資金額的15%。自2019年開始，股息金額將增加至其注資金額的20%，直至中糧包裝投資選擇於2023年行使其認購期權以按雙方協定的公平值增加資本投資並獲得遼寧中安的控制權。倘鞍山永安產生的利潤金額不足，鞍山永安將為中糧包裝投資補足差額，並於來年5月31日前支付。倘利潤金額充足，則金額充足的利潤將根據訂約雙方的注資比率予以分派，並於來年5月31日前支付。倘中糧包裝投資於2023年獲得遼寧中安的控制權，優先股息的期限即告終止。由於截至2018年12月31日止年度遼寧中安錄得虧損，中糧包裝投資之綜合損益表內概無確認應佔聯營公司虧損或優先股息收入。

19. 存貨

20. 貿易應收款及應收票據

20. Trade and Bills Receivables (continued)

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 repayable 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 loss allowance, is as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within 3 months	3個月內	1,209,994	1,364,878
3 to 12 months	3至12個月	480,432	263,837
1 to 2 years	1至2年	1,800	1,949
Over 2 years	2年以上	121	129
		1,692,347	1,630,793

The movements in the loss allowance for impairment of trade receivables are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At 1 January	於1月1日	1,321	1,679
Impairment losses, net (Note 6)	減值虧損淨額(附註6)	513	(14)
Amount written off as uncollectible	撇銷不可收回之金額	(597)	(344)
At 31 December	於12月31日	1,237	1,321

20. 貿易應收款及應收票據(續)

本集團給予客戶信貸期，惟新客户大多須預先付款。信貸期一般為30至180天。每名客戶均有最高信貸額。本集團尋求嚴格控制其未償還應收賬款，及設立信貸控制部將信貸風險降至最低。高級管理人員也會定期檢討逾期款項。鑑於上述者及本集團的貿易應收款與大量不同類別客戶有關，故並無重大集中信貸風險。本集團並未就其貿易應收款結餘持有任何抵押品或其他信貸保證。貿易應收款並不計息。

本集團關連人士之貿易應收款乃按向本集團主要客戶提供的類似信貸條款償還。

於報告期末的貿易應收款及應收票據按發票日期，並扣除虧損撥備的賬齡分析如下：

貿易應收款的減值虧損撥備變動如下：

20. Trade and Bills Receivables (continued)

Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss pattern (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

		Current 即期	Past due 逾期			Total 總計
			Less than 1 month 少於一個月	1 to 3 years 一至三個月	Over 3 years 超過三個月	
Expected credit loss rate	預期信貸虧損率	0.01%	0.03%	4.80%	33.34%	0.08%
Gross carrying amount (RMB'000)	總賬面值 (人民幣千元)	1,536,191	8,000	3,044	2,945	1,550,180
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	107	2	146	982	1,237

Impairment under HKAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables, which was measured based on incurred credit losses under HKAS 39, as at 31 December 2017 was a provision for individually impaired trade receivables of RMB1,321,000 with a carrying amount before provision of RMB1,321,000.

The individually impaired trade receivables as at 31 December 2017 related to customers that were in financial difficulties or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recovered.

20. 貿易應收款及應收票據(續)

截至2018年12月31日止年度香港財務報告準則第9號減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別(即按地理區域、產品類型、客戶類型及評級以及信用證或其他形式的信用保險劃分)的逾期天數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。一般而言，倘貿易應收款逾期超過三年，則予以撇銷，且不受執行工作規限。

下表使用撥備矩陣載列有關本集團貿易應收款信用風險狀況的資料：

於2018年12月31日

截至2017年12月31日止年度香港會計準則第39號項下的減值

在上述貿易應收款減值撥備中，包括對於2017年12月31日人民幣1,321,000元個別已減值貿易應收款之撥備(根據香港會計準則第39號的應計信貸虧損計量)，其撥備前賬面值為人民幣1,321,000元。

於2017年12月31日個別已減值貿易應收款與有財務困難或未能償還利息及／或本金之客戶有關，且僅有部份應收款預期可收回。

20. Trade and Bills Receivables (continued)

The ageing analysis of the trade and bills receivables as at December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

		2017 RMB'000 人民幣千元
Neither past due nor impaired	未逾期及未減值	1,616,344
Less than 1 month past due	逾期少於1個月	9,162
1 to 3 months past due	逾期1至3個月	1,929
More than 3 months past due	逾期超過3個月	3,358
		1,630,793

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

At 31 December 2018, the Group endorsed certain bills receivables accepted by banks in the PRC (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB554,627,000 (2017: RMB1,190,203,000). The Derecognised Bills have a maturity from one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2018, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills (2017: Nil). No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

20. 貿易應收款及應收票據 (續)

於2017年12月31日根據香港會計準則第39號未被個別或共同視為減值的貿易應收款及應收票據的賬齡分析如下：

未逾期亦未減值的應收款與近期並無欠款記錄的大量不同類別客戶有關。

已逾期但未作減值之應收款乃與本集團有良好交易記錄之大量獨立客戶有關。根據過往經驗，本公司董事認為，就該等結餘而言，由於信貸質素並未發生重大變動，且該等結餘仍可視為悉數收回，故根據香港會計準則第39號毋須就此作出任何減值撥備。

於2018年12月31日，本集團向其若干供應商簽署中國多家銀行接納的若干應收票據（「取消確認票據」），以清償應付有關供應商賬面總值人民幣554,627,000元（2017年：人民幣1,190,203,000元）的貿易應付款。於報告期末，取消確認票據的到期期限介乎一至六個月。根據中國票據法，倘該等中國銀行違約，取消確認票據持有人對本集團擁有追索權（「持續涉及」）。董事認為，本集團已將取消確認票據的絕大部份風險及回報轉移。因此，其已取消確認取消確認票據及相關貿易應付款的全數賬面值。本集團因持續涉及取消確認票據及因購回該等取消確認票據的未貼現現金流量而承受的最高虧損風險相等於其賬面值。董事認為，本集團持續涉及取消確認票據的公平值並不重大。

截至2018年12月31日止年度，本集團並無於轉讓取消確認票據之日確認任何盈虧（2017年：無）。本集團並無就持續涉及確認年內或累計盈虧。

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財務報表附註 31 December 2018
2018年12月31日

21. Prepayments, Other Receivables and Other Assets

21. 預付款、其他應收款及其他資產

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Current assets	流動資產		
Prepayments to third-party suppliers	預付予第三方供應商之墊款	172,522	139,391
Deposits	按金	14,642	14,677
Input VAT recoverable	可收回之進項增值稅	93,633	201,911
Prepaid expenses	預付費用	16,806	13,281
Other receivables	其他應收款	40,009	44,693
Amounts due from related parties (Note 36(b))	應收關連人士款項 (附註36(b))	5,690	11,796
Entrusted loan to an associate (Note 36(b))	貸予一家聯營公司的委託貸款 (附註36(b))	-	54,000
Prepaid land lease payments (Note 14)	預付土地租賃款 (附註14)	7,663	7,752
		350,965	487,501
Impairment allowance	減值撥備	(3,874)	(3,905)
		347,091	483,596
Non-current assets	非流動資產		
Prepaid expenses	預付開支	17,699	15,730
Prepayment for acquisition of non-controlling interests	收購一家附屬公司的非控股權益之預付款	-	10,739
		17,699	26,469

The Group's non-current prepayment of RMB10,739,000 as at 31 December 2017 is a prepayment in relation to the proposed acquisition of 8.7% equity interest in FC Packaging (Harbin), a then 91.3% owned subsidiary, from its non-controlling shareholder. The acquisition was completed on 22 January 2018 and FC Packaging (Harbin) became a wholly-owned subsidiary of the Group thereafter.

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

於2017年12月31日本集團非即期預付款人民幣10,739,000元，乃有關建議自其非控股股東收購永富容器(哈爾濱)(由本集團當時擁有91.3%之附屬公司)8.7%股權之預付款。收購事項已於2018年1月22日完成，永富容器(哈爾濱)其後成為本集團之全資附屬公司。

上述資產概未逾期亦未減值。上述結餘內包括的金融資產與近期無拖欠記錄的應收款有關。

CONSOLIDATED
STATEMENT OF
CASH FLOWS
綜合現金流量表

NOTES TO
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21. Prepayments, Other Receivables and Other Assets (continued)

The movements in the provision for impairment of prepayments and other receivables are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At 1 January	於1月1日	3,905	3,994
Impairment losses reversed (Note 6)	已撥回減值虧損 (附註6)	(6)	(91)
Amount written off as uncollectible	撇銷不可收回之金額	(25)	2
At 31 December	於12月31日	3,874	3,905

Included in the Group's prepayments, other receivables and other assets as at 31 December 2017 was an interest-bearing entrusted loan to an associate of RMB54,000,000. The entrusted loan was unsecured, bore interest at a rate of 4.35% per annum and was repaid on 24 December 2018.

Prepayments and other receivables mainly represent loans to employees, advances to employees and prepayments to suppliers. As there were no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The 12-month ECL loss rate applied for where there are no comparable companies as at 31 December 2018 was 0.4%.

Except for the above impaired other receivables, the financial assets included in the above balances related to receivables for which there was no recent history of default.

21. 預付款、其他應收款及其他資產 (續)

預付款及其他應收款減值撥備變動如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At 1 January	於1月1日	3,905	3,994
Impairment losses reversed (Note 6)	已撥回減值虧損 (附註6)	(6)	(91)
Amount written off as uncollectible	撇銷不可收回之金額	(25)	2
At 31 December	於12月31日	3,874	3,905

本集團於2017年12月31日的預付款、其他應收款及其他資產包括給予一間聯營公司的計息委託貸款人民幣54,000,000元。委託貸款為無抵押按年利率4.35%計息，且已於2018年12月24日償還。

預付款及其他應收款主要指給予僱員的貸款、墊予僱員的款項及預先支付供應商的款項。由於未能識別到具信貸評級的可資比較公司，本集團經參考過往虧損記錄及透過使用虧損率法估計預期信貸虧損。虧損率將於適當時候作出調整以反映現時情況及預測未來經濟情況。對於2018年12月31日並無可資比較公司的情况，所使用的12個月預期信貸虧損率為0.4%。

除以上已減值其他應收款外，上述結餘內包括的金融資產與近期無拖欠記錄的應收款有關。

Notes to Financial Statements

財務報表附註 31 December 2018
2018年12月31日

22. Cash and Cash Equivalents and Pledged Deposits

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	92,537	440,818
Deposits in COFCO Finance (Note 36(b))	於中糧財務的存款 (附註36(b))	801,340	270,361
Time deposits	定期存款	51,696	72,411
		945,573	783,590
Less: Pledge time deposits:	減：已抵押定期存款：		
Pledged for letters of credit	就信用證已抵押	(3,190)	(21,252)
Pledged for bills payable (Note 23)	就應付票據已抵押 (附註23)	(48,506)	(51,159)
		(51,696)	(72,411)
Cash and cash equivalents	現金及現金等價物	893,877	711,179

At the end of the reporting period, the cash and cash equivalents and pledged deposits of the Group denominated in RMB amounted to RMB823,013,000 (2017: RMB529,516,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

All the above deposits in COFCO Finance have a short maturity of less than three months and a determinable return when acquired. In the opinion of the directors of the Company, these deposits in COFCO Finance are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

22. 現金及現金等價物及已抵押存款

於報告期末，本集團以人民幣計值的現金及現金等價物及已抵押存款為人民幣823,013,000元（2017年：人民幣529,516,000元）。人民幣不可自由兌換為其他貨幣。然而，根據中國內地的外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權從事外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按每日銀行存款利率賺取浮動利息。根據本集團對現金需求之急切性，短期定期存款存款期由一日至三個月不等，分別按有關之短期定期存款利率賺取利息。銀行結餘及有抵押存款乃存於近期無欠款紀錄且信譽良好之銀行。

以上所有於中糧財務的存款的期限較短（不足三個月），並於購入時有可決定的回報。本公司董事認為，該等於中糧財務的存款可隨時變現作可知數額的現金且價值變動風險不大。

23. 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:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within 3 months	3個月內	1,056,612	786,661
3 to 12 months	3至12個月	125,188	453,309
1 to 2 years	1至2年	6,231	3,582
Over 2 years	2年以上	7,674	5,487
		1,195,705	1,249,039

Among the trade and bills payables, no trade payables (2017: RMB466,000) were due to COFCO (Hong Kong) and its subsidiaries, and trade payables of RMB2,594,000 due to ORG Technology and its subsidiaries (2017: RMB44,515,000) are repayable within 90 days, which represents credit terms similar to those offered by that fellow subsidiary to its major customers (Note 36(b)).

As at 31 December 2018, certain of the Group's bills payable were secured by the Group's bank deposits amounting to RMB48,506,000 (2017: RMB51,159,000) (Note 22).

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

23. 貿易應付款及應付票據

於報告期末，按發票日期計算的貿易應付款及應付票據的賬齡分析如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within 3 months	3個月內	1,056,612	786,661
3 to 12 months	3至12個月	125,188	453,309
1 to 2 years	1至2年	6,231	3,582
Over 2 years	2年以上	7,674	5,487
		1,195,705	1,249,039

貿易應付款及應付票據包括應付中糧香港及其附屬公司的貿易應付款人民幣零元（2017年：人民幣466,000元）和應付奧瑞金科技及其附屬公司的貿易應付款人民幣2,594,000元（2017年：人民幣44,515,000元），該等款項須於90日內償還，與該同系附屬公司給予其主要客戶之信貸條款相似（附註36(b)）。

於2018年12月31日，本集團的若干應付票據以本集團的銀行存款合共人民幣48,506,000元（2017年：人民幣51,159,000元）作抵押（附註22）。

貿易應付款及應付票據並不計息，結算信用期通常為30至90日。

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24. Other Payables and Accruals

24. 其他應付款及應計項目

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receipt in advance	預收款	–	56,241
Contract liabilities	合約負債	48,365	–
Refund liabilities	退款負債	5,955	–
Salary and welfare payables	應付工資及福利	96,034	86,332
Accrued expenses	應計費用	35,409	53,805
Guarantee deposits from suppliers	供應商保證金	16,177	16,708
Payables for purchases of equipment	採購設備應付款項	89,226	79,978
Amounts due to related parties (Note 36(b))	應付關連人士款項 (附註36(b))	904	611
Tax payables other than current income tax liabilities	除當期所得稅負債外的 應付稅項	57,390	41,473
Considerations payable for acquisition of subsidiaries	收購附屬公司之應付代價	20,591	56,741
Others	其他	20,622	11,453
		390,673	403,342

Contract liabilities are short-term advances received to deliver industrial products. The decrease in contract liabilities in 2018 was due to the decrease in short-term advances received from customers in relation to the delivery of industrial goods at the end of the year.

合約負債乃就交付工業產品而收取的短期墊款。合約負債於2018年減少乃因就年末交付工業產品而收取客戶的短期墊款減少所致。

Other payables and accruals are non-interest-bearing and have an average term of three months.

其他應付款及應計項目並不計息，平均年期為三個月。

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25. Derivative Financial Instruments

The Group has entered into various commodity futures contracts to manage its market price risk arising from the fixed unit price of aluminium to certain of the Group's customers conducted in the normal course of business. These commodity futures contracts are measured at fair value through profit or loss. A net fair value gain on derivative financial instruments of RMB12,001,000 (2017: Net fair value loss of RMB1,497,000) was recognised in cost of sales in the statement of profit or loss during the year (Note 6).

25. 衍生金融工具

本集團已訂立多項遠期商品合約，用於管理正常業務過程中本集團若干客戶鎖定鋁材單位成本而導致的市場價格風險。該等遠期商品合約按公平值計入損益。年內衍生金融工具的淨公平值收益人民幣12,001,000元（2017年：淨公平值虧損人民幣1,497,000元）已確認入損益表的銷售成本中（附註6）。

26. Interest-Bearing Bank Borrowings

		2018			2017		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
		實際利率 (%)	到期	人民幣千元	實際利率 (%)	到期	人民幣千元
Current	即期						
Bank loans – unsecured	銀行貸款 – 無抵押	2.55-3.01	2019	2,142,232	1.60-2.25	2018	961,297
Non-current	非即期						
Bank loans – unsecured	銀行貸款 – 無抵押	2.56-2.96	2020-2021	1,950,954	2.07-2.22	2019-2020	2,286,970

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Analysed into:	分析：		
Bank loans repayable:	應於下列期間償還		
	銀行貸款：		
Within one year	第一年內	2,142,232	961,297
In the second year	第二年	960,848	1,372,182
In the third to fifth years, inclusive	第三至第五年，包括首尾兩年	990,106	914,788
		4,093,186	3,248,267

All bank borrowings are denominated in United States dollars and Hong Kong dollars.

所有銀行借款均以美元及港元計值。

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27. Deferred Tax

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax liabilities

		2018			Total
		Accelerated tax amortisation of land use rights	Accelerated tax depreciation of property, plant and equipment	Accelerated tax amortisation of intangible assets	
		土地 使用權之 加速稅項攤銷	物業、 廠房及 設備之加 速稅項折 舊	無形資 產之加 速稅項攤 銷	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	4,640	8,129	5,009	17,778
Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (Note 10)	於本年度綜合損益表內計入/扣除遞延稅項(附註10)	(401)	909	(679)	(171)
Gross deferred tax liabilities at 31 December 2018	於2018年12月31日的總遞延稅項負債	4,239	9,038	4,330	17,607

Deferred tax assets

		Provision for					Losses available for offsetting against future taxable profits		Total
		Provision for impairment of trade receivables	Provision for impairment of other receivables	Provision for write-down of inventories	Provision for impairment of property, plant and equipment	Others	Others		
		貿易應收款 減值撥備	預付款及 其他應收款 減值撥備	存貨 跌價撥備	物業、 廠房及設備 之減值撥備	可用虧損 於抵銷未來 應課稅利潤	其他	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
At 1 January 2018	於2018年1月1日	157	957	47	1,539	9,399	9,632	21,731	
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (Note 10)	於本年度綜合損益表內計入/(扣除)遞延稅項(附註10)	38	(16)	-	-	911	936	1,869	
Gross deferred tax assets at 31 December 2018	於2018年12月31日的總遞延稅項資產	195	941	47	1,539	10,310	10,568	23,600	

27. 遞延稅項

年內遞延稅項資產及負債的變動如下：

遞延稅項負債

		2018			Total
		Accelerated tax amortisation of land use rights	Accelerated tax depreciation of property, plant and equipment	Accelerated tax amortisation of intangible assets	
		土地 使用權之 加速稅項攤銷	物業、 廠房及 設備之加 速稅項折 舊	無形資 產之加 速稅項攤 銷	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	4,640	8,129	5,009	17,778
Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (Note 10)	於本年度綜合損益表內計入/扣除遞延稅項(附註10)	(401)	909	(679)	(171)
Gross deferred tax liabilities at 31 December 2018	於2018年12月31日的總遞延稅項負債	4,239	9,038	4,330	17,607

遞延稅項資產

		Provision for					Losses available for offsetting against future taxable profits		Total
		Provision for impairment of trade receivables	Provision for impairment of other receivables	Provision for write-down of inventories	Provision for impairment of property, plant and equipment	Others	Others		
		貿易應收款 減值撥備	預付款及 其他應收款 減值撥備	存貨 跌價撥備	物業、 廠房及設備 之減值撥備	可用虧損 於抵銷未來 應課稅利潤	其他	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
At 1 January 2018	於2018年1月1日	157	957	47	1,539	9,399	9,632	21,731	
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (Note 10)	於本年度綜合損益表內計入/(扣除)遞延稅項(附註10)	38	(16)	-	-	911	936	1,869	
Gross deferred tax assets at 31 December 2018	於2018年12月31日的總遞延稅項資產	195	941	47	1,539	10,310	10,568	23,600	

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27. Deferred Tax (continued)

Deferred tax liabilities

		2017			Total
		Accelerated tax amortisation of land use rights	Accelerated tax depreciation of property, plant and equipment	Accelerated tax amortisation of intangible assets	
		土地使用權之加速稅項攤銷	物業、廠房及設備之加速稅項折舊	無形資產之加速稅項攤銷	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於2017年1月1日	2,117	5,791	5,688	13,596
Acquisition of subsidiaries (Note 31)	收購附屬公司 (附註31)	2,598	2,991	-	5,589
Deferred tax credited to the consolidated statement of profit or loss during the year (Note 10)	於本年度綜合損益表內計入遞延稅項 (附註10)	(75)	(653)	(679)	(1,407)
Gross deferred tax liabilities at 31 December 2017	於2017年12月31日的總遞延稅項負債	4,640	8,129	5,009	17,778

Deferred tax assets

		2017						Total
		Provision for impairment of trade receivables	Provision for impairment of prepayments and other receivables	Provision for write-down of inventories	Provision for impairment of property, plant and equipment	Losses available for offsetting against future taxable profits	Others	
		貿易應收款減值撥備	預付款及其他應收款減值撥備	存貨跌價撥備	物業、廠房及設備之減值撥備	可用虧損用於抵銷未來應課稅利潤	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於2017年1月1日	225	980	308	1,539	5,130	12,907	21,089
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (Note 10)	於本年度綜合損益表內計入/(扣除) 遞延稅項 (附註10)	(68)	(23)	(261)	-	4,269	(3,275)	642
Gross deferred tax assets at 31 December 2017	於2017年12月31日的總遞延稅項資產	157	957	47	1,539	9,399	9,632	21,731

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27. Deferred Tax (continued)

Deferred tax assets have not been recognised in respect of the following items:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Tax losses	稅項虧損	57,880	64,340
Deductible temporary differences	可扣稅暫時差額	85	(28)
		57,965	64,312

The above tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

27. 遞延稅項 (續)

並未就下列項目確認遞延稅項資產：

上述稅項虧損無限期用於抵銷產生虧損的公司的未來應課稅利潤。由於不認為有可能將應課稅利潤用於抵銷可動用的上述項目，故並未確認相關遞延稅項資產。

根據中國企業所得稅法，於中國內地成立的外商投資企業向海外投資者所宣派的股息須繳納10%預扣稅。有關規定於2008年1月1日起生效，並適用於2007年12月31日之後的盈利。倘中國內地與海外投資者的司法權區訂立稅務條約，則可能享有較低的預扣稅率。就本集團而言，適用稅率為5%或10%。因此，本集團須就該等於中國內地成立的附屬公司於2008年1月1日起賺取的盈利所宣派的股息繳納預扣稅。

本公司向其股東派付股息並無導致任何所得稅後果。

28. Share Capital

Shares

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：		
1,174,560,000 (2017: 1,174,560,000) ordinary shares	1,174,560,000股普通股 (2017年：1,174,560,000股)	2,730,433	2,730,433

A summary of movements in the Company's share capital is as follows:

本公司股本之變動概要如下：

		Number of shares in issue 已發行股份數目	Share capital 股本 RMB'000 人民幣千元
At 1 January 2017, 31 December 2017 and 31 December 2018	於2017年1月1日、 2017年12月31日及 2018年12月31日	1,174,560,000	2,730,433

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29. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 178 of the financial statements.

Capital reserves

The capital reserves represent: 1) additional contribution made by the non-controlling shareholders of the Company's subsidiaries; 2) in the case of an acquisition of an additional equity interest in a non-wholly-owned subsidiary, the difference between the cost of acquisition and the non-controlling interests acquired and; 3) in the case of a settlement of a shareholder's loans, the difference between the carrying amount of loans and the consideration.

Statutory reserve

Subsidiaries of the Company established in the PRC are required to make appropriations to a certain statutory reserve, namely the reserve funds, from their statutory profit for the year after offsetting accumulated losses as determined under the PRC accounting regulations from prior years and before profit distribution to equity holders. The percentage to be appropriated to such statutory reserve funds is determined according to the relevant regulations in the PRC at 10% or at the discretion of the boards of directors of the respective companies.

29. 儲備

本集團於本年度及過往年度之儲備數額及儲備變動已於財務報表第178頁之綜合權益變動表呈列。

資本儲備

資本儲備代表：1)本公司附屬公司之非控股股東作出之額外貢獻；2)在收購非全資附屬公司的額外股權的情況下，收購成本與已收購非控股權益之差額；及3)就清償股東貸款而言，貸款與代價賬面值之差額。

法定儲備

本公司於中國成立的附屬公司須自其年內法定利潤(抵銷根據中國會計法規計算的過往年度累計虧損後及向股本持有人作出利潤分派前)向若干法定儲備(即儲備金)撥款。將向該等法定儲備金作出的撥款比例根據中國相關法規以10%的比率或由各間公司的董事會酌情釐定。

30. Partly-Owned Subsidiaries with Material Non-Controlling Interests

Details of the Group's subsidiary that has material non-controlling interests are set out below:

		2018	2017
Percentage of equity interests held by non-controlling interests:	非控股權益所持股權百分比：		
Company A	公司A	38.52%	38.52%
Company B*	公司B*	45.30%	49.00%
		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit/(loss) for the year allocated to non-controlling interests:	分配至非控股權益的年度利潤／(虧損)：		
Company A	公司A	6,464	1,728
Company B*	公司B*	3,556	(1,274)
Accumulated balances of non-controlling interests at the reporting dates:	非控股權益於報告日期的累計結餘：		
Company A	公司A	113,860	107,395
Company B*	公司B*	232,708	193,553

* Company B was newly acquired by CPMC Investment, a wholly-owned subsidiary of the Group, in March 2017.

* 公司B乃由本集團全資附屬公司中糧包裝投資於2017年3月新近收購。

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30. Partly-Owned Subsidiaries with Material Non-Controlling Interests (continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

		Company A 公司A RMB'000 人民幣千元	Company B 公司B RMB'000 人民幣千元
2018	2018		
Revenue	收入	466,406	124,279
Total expenses	開支總額	(449,625)	(117,022)
Profit for the year	年度利潤	16,781	7,257
Total comprehensive income for the year	年度全面收入總額	16,781	7,257
Current assets	流動資產	202,142	176,616
Non-current assets	非流動資產	206,870	378,049
Current liabilities	流動負債	(110,416)	(40,659)
Non-current liabilities	非流動負債	-	-
Net cash flows used in operating activities	經營活動使用之現金流量淨額	(5,371)	(12,096)
Net cash flows used in investing activities	投資活動使用之現金流量淨額	(17,701)	(64,120)
Net cash flows from financing activities	融資活動產生之現金流量淨額	-	111,828
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(23,072)	35,612
		Company A 公司A RMB'000 人民幣千元	Company B 公司B RMB'000 人民幣千元
2017	2017		
Revenue	收入	429,925	-
Total expenses	開支總額	(425,439)	(2,600)
Profit/(loss) for the year	年度利潤/(虧損)	4,486	(2,600)
Total comprehensive income/(loss) for the year	年度全面收入/(虧損)總額	4,486	(2,600)
Current assets	流動資產	222,222	93,358
Non-current assets	非流動資產	209,563	314,277
Current liabilities	流動負債	(149,971)	(12,888)
Non-current liabilities	非流動負債	-	-
Net cash flows (used in)/from operating activities	經營活動(使用)/產生之現金流量淨額	(576)	55,328
Net cash flows from/(used in) investing activities	投資活動產生/(使用)之現金流量淨額	7,400	(152,677)
Net cash flows from financing activities	融資活動產生之現金流量淨額	-	132,718
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	6,824	35,369

30. 具有重大非控股權益之部份擁有附屬公司(續)

下表說明上述附屬公司的財務資料概要。所披露金額為除任何公司間對銷前金額：

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31. Business Combinations

Business combinations for the year ended 31 December 2017

On 15 March 2017, CPMC Investment, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Harvest Epoch International Limited (“Harvest Epoch”) and Harvest Epoch Packaging (Zhejiang) Co., Ltd.* (“Epoch Packaging”), pursuant to which, CPMC Investment has conditionally agreed to purchase 51% equity interests in Epoch Packaging from Harvest Epoch at a total cash consideration of RMB138,108,000. After the completion of the acquisition, the Group held 51% equity interests in Epoch Packaging, which is engaged in the business of the manufacture of metal packaging.

On 27 March 2017, CPMC Investment entered into an equity transfer agreement with two citizens of the PRC, both being independent third parties (the “Vendors”), pursuant to which CPMC Investment has agreed to purchase 100% equity interests in Chengdu CPMC Canmaking Co., Ltd (“Chengdu Can-making”) from the Vendors at a total cash consideration of RMB74,966,000. After the completion of the acquisition, the Group held 100% equity interests in Chengdu Can-making, which is engaged in the business of manufacture of metal packaging.

The Group had elected to measure the non-controlling interest in Epoch Packaging at the non-controlling interest's proportionate share of Epoch Packaging's identifiable net assets.

31. 業務合併

截至2017年12月31日止年度之業務合併

於2017年3月15日，中糧包裝投資（本公司的間接全資附屬公司）與紀鴻國際有限公司（「紀鴻」）及浙江紀鴻包裝有限公司（「紀鴻包裝」）訂立股權轉讓協議，據此，中糧包裝投資有條件同意以總現金代價人民幣138,108,000元自紀鴻收購紀鴻包裝的51%股本權益。於完成是次收購後，本集團持有紀鴻包裝51%權益，其從事製造金屬包裝業務。

於2017年3月27日，中糧包裝投資與兩名中國公民（「賣方」，均為獨立第三方）訂立股權轉讓協議，據此，中糧包裝投資同意以總現金代價人民幣74,966,000元自賣方收購成都中糧製罐有限公司（「成都製罐」）的100%股本權益。於完成是次收購後，本集團持有成都製罐100%股本權益，其從事製造金屬包裝業務。

本集團已選擇按非控股權益在紀鴻包裝可識別資產淨值之分佔比例，計量於紀鴻包裝之非控股權益。

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31. Business Combinations (continued)

Business combinations for the year ended 31 December 2017 (continued)

The fair values of the identifiable assets and liabilities of Epoch Packaging as at the date of acquisition were as follows:

31. 業務合併 (續)

截至2017年12月31日止年度之業務合併 (續)

紀鴻包裝之可識別資產及負債於收購事項日期之公平值如下：

		Fair value recognised on acquisition 於收購時 確認之公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	132,241
Prepaid land lease payments	預付土地租賃款	23,752
Deposits for purchase of items of property, plant and equipment	購買物業、廠房及設備項目的 按金	26,886
Prepayments, other receivables and other assets	預付款、其他應收款及其他資產	13,414
Cash and cash equivalents	現金及現金等價物	71,513
Trade and bills payables	貿易應付款及應付票據	(222)
Other payables and accruals	其他應付款及應計項目	(190)
Tax payable	應繳稅項	(12)
Deferred tax liabilities	遞延稅項負債	(2,882)
Total identifiable net assets at fair value	按公平值計算之可識別 淨資產總額	264,500
Non-controlling interests	非控股權益	(129,605)
Goodwill on acquisition	收購時的商譽	3,213
Satisfied by cash*	以現金方式支付*	138,108

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31. Business Combinations (continued)**Business combinations for the year ended 31 December 2017 (continued)**

The fair values of the identifiable assets and liabilities of Chengdu Can-making as at the date of acquisition were as follows:

		Fair value recognised on acquisition 於收購時 確認之公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	103,844
Prepaid land lease payments	預付土地租賃款	12,499
Deposits for purchase of items of property, plant and equipment	購買物業、廠房及設備項目的 按金	46,536
Prepayments, other receivables and other assets	預付款、其他應收款及其他資產	3,538
Cash and cash equivalents	現金及現金等價物	15,462
Trade and bills payables	貿易應付款及應付票據	(1,171)
Other payables and accruals	其他應付款及應計項目	(127,654)
Deferred tax liabilities	遞延稅項負債	(2,707)
Total identifiable net assets at fair value	按公平值計算之可識別 淨資產總額	50,347
Goodwill on acquisition	收購時的商譽	24,619
Satisfied by cash*	以現金方式支付*	74,966

* A cash consideration of RMB36,150,000 out of the total cash consideration of RMB213,074,000 for the above acquisitions (the "Acquisitions") was paid by the Group during the year ended 31 December 2018 (31 December 2017: RMB159,424,000), and the remaining consideration of RMB17,500,000 was included in the Group's other payables and accruals as at 31 December 2018 (31 December 2017: RMB53,650,000).

None of the goodwill recognised from the Acquisitions is expected to be deductible for income tax purposes.

The Group incurred transaction costs of RMB520,000 for the Acquisitions. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

31. 業務合併 (續)**截至2017年12月31日止年度之業務合併 (續)**

成都製罐之可識別資產及負債於收購事項日期之公平值如下：

		Fair value recognised on acquisition 於收購時 確認之公平值 RMB'000 人民幣千元
物業、廠房及設備		103,844
預付土地租賃款		12,499
購買物業、廠房及設備項目的 按金		46,536
預付款、其他應收款及其他資產		3,538
現金及現金等價物		15,462
貿易應付款及應付票據		(1,171)
其他應付款及應計項目		(127,654)
遞延稅項負債		(2,707)
按公平值計算之可識別 淨資產總額		50,347
收購時的商譽		24,619
以現金方式支付*		74,966

* 上述收購事項(「收購事項」)之總現金代價人民幣213,074,000元中之現金代價人民幣36,150,000元(2017年12月31日：人民幣159,424,000元)已於截至2018年12月31日止年度由本集團支付，而餘下代價人民幣17,500,000元(2017年12月31日：人民幣53,650,000元)已計入本集團於2018年12月31日的其他應付款及應計項目。

預期自收購事項確認之商譽概不可用作抵扣所得稅。

本集團因收購事項產生交易成本人民幣520,000元。該等交易成本已予支銷並計入綜合損益表內之行政開支。

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31. Business Combinations (continued)

Business combinations for the year ended 31 December 2017 (continued)

An analysis of the cash flows in respect of the Acquisitions is as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	159,424
Cash and cash equivalents acquired	已購入現金及現金等價物	86,975
Net outflow of cash and cash equivalents included in cash flows from investing activities	包括在投資活動產生之現金流量的現金及現金等價物流出淨額	72,449
Transaction costs of the Acquisitions included in cash flows from operating activities	包括在經營活動產生之現金流量的收購事項交易成本	(520)
		71,929

32. Notes to the Consolidated Statement of Cash Flows

(a) Major non-cash transactions

During the year, the Group regarded the trade receivables balance due from a joint venture as capital investment of RMB331,858,000 million (2017: Nil).

(b) Changes in liabilities arising from financing activities

31. 業務合併 (續)

截至2017年12月31日止年度之業務合併 (續)

有關收購事項的現金流量分析如下：

32. 綜合現金流量表附註

(a) 融資活動產生之負債變動

年內，本集團將應收一家合營企業的貿易應收賬款結餘視作資本投資人民幣331,858,000元 (2017年：無)。

(b) 融資活動產生之負債變動

		Bank borrowings 銀行借款	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At 1 January	於1月1日	3,248,267	2,427,950
Changes from financing cash flows	融資現金流量之變動	667,723	994,992
Foreign exchange movement	外匯變動	177,196	(174,675)
Interest expense	利息開支	(90,366)	(43,839)
Interest paid classified as operating cash flows	分類為經營現金流之已付利息	90,366	43,839
At 31 December	於12月31日	4,093,186	3,248,267

33. Pledge of Assets

Details of the Group's letters of credit and bills payable, which are secured by the assets of the Group, are included in notes 22 and 23, respectively, to the financial statements.

33. 抵押資產

本集團之信用證及應付票據 (以本集團之資產抵押) 之詳情分別載於財務報表附註22及23。

34. Operating Lease Arrangements**(a) As lessor**

The Group leases its individual properties, which was not qualified as an investment property, under operating lease arrangements, with leases negotiated for terms ranging from two to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within one year	一年內	2,551	-
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	8,930	-
		11,481	-

(b) As lessee

The Group leases certain of its office properties, factories and warehouses under operating lease arrangements. Leases for office properties, factories and warehouses are negotiated for terms ranging from one to six years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within one year	一年內	5,510	4,624
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	6,959	185
After five years	五年以後	243	-
		12,712	4,809

34. 經營租賃安排**(a) 作為出租人**

本集團根據經營租賃安排將其不合資格作投資物業的物業出租，協定租期介乎兩至五年。租賃條款通常亦要求租戶支付保證金，並可根據當時市場狀況定期調整租金。

本集團於2018年12月31日根據與其租戶所訂立下列期間到期之不可撤銷經營租賃可收取之未來最低租金總額如下：

(b) 作為承租人

本集團根據經營租賃安排租用若干辦公室物業、廠房及貨倉。議定辦公室物業、廠房及貨倉租期介乎一至六年。

本集團於2018年12月31日根據下列期間到期之不可撤銷經營租賃須支付之未來最低租金總額如下：

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35. Commitments

Capital commitments

In addition to the operating lease commitments detailed in note 34(b) above, the Group had the following capital commitments at the end of the reporting period:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Contracted, but not provided for:	有關已訂約但未撥備的：		
Property, plant and equipment	物業、廠房及設備	514,337	361,417
Capital contribution payable to a joint venture	應付一家合營企業之資本出資	1,122,759	1,200,935
		1,637,096	1,562,352

At the end of the reporting period, save as detailed elsewhere in these financial statements, the Group did not have any significant commitments (2017: Nil).

35. 承諾

資本承諾

除上文附註34(b)詳述之經營租賃承諾外，於報告期末本集團之資本承諾如下：

於報告期末，除於該等財務報表中詳述者外，本集團並未作出任何重大承諾（2017年：無）。

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36. Related Party Transactions

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

			31 December 2018 於2018年 12月31日 RMB'000 人民幣千元	31 December 2017 於2017年 12月31日 RMB'000 人民幣千元
Transactions with COFCO:	與中糧的交易：			
Rental expense	租金開支	(ii)	1,442	1,442
Purchase of IT software and IT facilities	購買資訊科技軟件及資訊科技設施	(v)	469	-
Transactions with related companies*:	與關連公司的交易*：			
Sale of products	銷售貨品	(i)	35,907	31,818
Transactions with COFCO Finance:	與中糧財務的交易：			
Interest income (Note 5)	利息收入 (附註5)	(iii)	2,948	4,183
Transactions with COFCO (Hong Kong), a substantial shareholder of the Company, and its subsidiaries (collectively the "COFCO Hong Kong Group"):	與本公司主要股東中糧(香港)及其附屬公司(統稱「中糧(香港)集團」)的交易：			
Sale of products	銷售產品	(i)	367,496	271,679
Rental expense	租金開支	(ii)	1,261	3,503
Transactions with ORG Technology, a substantial shareholder of the Company, and its subsidiaries (collectively the "ORG Technology Group"):	與本公司主要股東奧瑞金科技及其附屬公司(統稱「奧瑞金科技集團」)的交易：			
Sale of products	銷售產品	(i)	134,823	199,815
Purchase of products	購買產品	(iv)	71,337	179,311
Sale of raw materials	銷售原材料	(vii)	2,444	-
Transactions with the associate of the Group:	與本集團聯營公司的交易：			
Interest income (Note 5)	利息收入 (附註5)	(vi)	2,384	780
Transactions with the joint venture of the Group:	與本集團合營企業的交易：			
Sale of products	銷售產品	(i)	284,451	-

* Related companies are companies under significant influence of COFCO.

* 關連公司乃受中糧重大影響的公司。

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36. Related Party Transactions (continued)

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year: (continued)

Notes:

- (i) The sales were made according to the published prices and conditions offered to the major customers of the Group.
- (ii) The rental expenses were determined with reference to the prevailing market rental.
- (iii) The interest income arising from the deposits to COFCO Finance was determined in accordance with the prevailing RMB deposit rates promulgated by the People's Bank of China with the same terms and conditions.
- (iv) The considerations were determined with reference to the prevailing market prices/rates and the prices charged to third parties.
- (v) The transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.
- (vi) The interest income arising from the entrusted loan to an associate was determined in accordance with the prevailing RMB interest rates promulgated by the People's Bank of China with the same terms and conditions.
- (vii) The sales were made according to the published prices and conditions.

36. 關連方交易 (續)

- (a) 除該等財務報表其他地方所載之交易外，本集團於年內與關連人士進行重大交易如下：
(續)

附註：

- (i) 有關銷售乃根據已刊發價格及提供予本集團主要客戶的條件而進行。
- (ii) 租金開支乃參考現行市值租金而釐定。
- (iii) 產生自中糧財務存款的利息收入乃按照中國人民銀行所頒佈的現行人民幣存款利率按相同條款及條件而釐定。
- (iv) 代價乃參照現行市價／費率及向第三方收取的價格釐定。
- (v) 有關交易乃根據涉及各方互相協定的條款及條件進行。
- (vi) 貸予聯營公司委託貸款產生之利息收入乃根據中國人民銀行頒佈的現行人民幣利率按同等條款及條件釐定。
- (vii) 有關銷售乃根據已刊發價格及條件而進行。

36. Related Party Transactions (continued)

(b) Outstanding balances with related parties:

		31 December 2018 2018年 12月31日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Trade and bills receivables (Note 20):	貿易應收款 (附註20):		
Related companies*	關連公司*	8,123	18,378
The COFCO Hong Kong Group	中糧(香港)集團	67,189	32,967
The ORG Technology Group	奧瑞金科技集團	43,040	60,273
Prepayments, other receivables and other assets (Note 21):	預付款、其他應收款及 其他資產 (附註21):		
The COFCO Hong Kong Group	中糧(香港)集團	5,690	11,796
Trade payables (Note 23):	貿易應付款 (附註23):		
The COFCO Hong Kong Group	中糧(香港)集團	—	466
The ORG Technology Group	奧瑞金科技集團	2,594	44,515
Other payables and accruals (Note 24):	其他應付款及應計項目 (附註24):		
The COFCO Hong Kong Group	中糧(香港)集團	904	547
The ORG Technology Group	奧瑞金科技集團	—	64
Deposits placed (Note 22):	存款存放於 (附註22):		
COFCO Finance	中糧財務	801,340	270,361
Entrusted loan (Note 21):	委託貸款 (附註21):		
Associate	聯營公司	—	54,000

* Related companies are companies under significant influence of COFCO.

Except for the deposits placed to COFCO Finance which are interest-bearing and repayable on demand, and an entrusted loan to an associate which was interest-bearing and repaid during this year, the other balances are unsecured, interest-free and have no fixed terms of repayment.

* 關連公司乃受中糧重大影響的公司。

除存放於中糧財務的存款為計息並須應要求償還及給予聯營公司之委託貸款為計息且已於本年度償還外，其他結餘乃無抵押、不計息且並無固定還款期。

36. Related Party Transactions (continued)**(c) Transactions and balances with other state-owned entities**

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively, "State-owned Enterprises"). During the year, the Group enters into extensive transactions, mainly covering purchases of tinplates with State-owned Enterprises, other than the COFCO Group, on terms comparable to those with other non-state-owned entities.

The directors consider that transactions with other State-owned Enterprises are activities in the ordinary course of its business, and that dealings of the Group have not been significantly or unduly affected by the fact that the Group and those State-owned Enterprises are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services, and such policies do not depend on whether or not the customers are State-owned Enterprises. Having due regard to the substance of the relationships, the directors of the Company are of the opinion that none of these transactions constitutes a related party transaction that requires separate disclosure.

(d) Compensation of key management personnel of the Group:

		31 December 2018	31 December 2017
		2018年 12月31日	2017年 12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short term employee benefits	短期僱員福利	5,231	7,395
Post-employment benefits	離職後福利	443	429
Total compensation paid to key management personnel	支付予主要管理人員的總酬金	5,674	7,824

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

A certain portion of these related party transactions in respect of certain items (i) (ii) (iv) and (v) of (a) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

36. 關連方交易 (續)**(c) 與其他國有實體之間的交易及餘額**

本集團運營的經濟環境中的企業大多為中國政府通過其眾多機關、聯署機構或其他組織直接或間接擁有或控制的企業(統稱「國有企業」)。年內，本集團與中糧集團以外的國有企業進行大量交易，主要涉及採購馬口鐵，條款與其他非國有企業之間交易的條款相若。

董事認為，與其他國有企業之間的交易為在日常業務過程中進行的活動，且本集團與那些由中國政府最終控制或擁有的國有企業的貿易並沒有受到嚴重或不當影響。本集團還制定產品和服務的定價政策，而該等政策並非取決於客戶是否為國有企業。經周詳考慮該等關係的本質後，本公司董事認為該等交易概不構成須另行予以披露的關連方交易。

(d) 本集團主要管理人員的酬金：

有關董事及主要行政人員之酬金的進一步詳情載於財務報表附註8。

上文有關(a)(i)、(ii)、(iv)及(v)的關連方交易若干部分亦構成上市規則第14A章所界定的關連交易或持續關連交易。

37. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets**31 December 2018**

		Financial assets at fair value through other comprehensive income - Debt investments 按公平值計入其他全面收益的金融資產 - 債務工具 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本計量之金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款及應收票據	143,403	1,548,944	1,692,347
Financial assets included in prepayments, other receivables and other assets	計入預付款、其他應收款及其他資產的金融資產	-	59,582	59,582
Pledged deposits	已抵押存款	-	51,696	51,696
Cash and cash equivalents	現金及現金等價物	-	893,877	893,877
		143,403	2,554,099	2,697,502

37. 按類別劃分的金融工具

各金融工具類別於報告期末的賬面值如下：

金融資產**2018年12月31日**

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37. Financial Instruments by Category (continued)

Financial assets (continued)

31 December 2017

		Loan and receivables 貸款及應收款 RMB'000 人民幣千元
Trade and bills receivables	貿易應付款及應付票據	1,630,793
Financial assets included in prepayments, other receivables and other assets	計入其他應付款及應計項目的 金融負債	124,401
Pledged deposits	已抵押存款	72,411
Cash and cash equivalents	現金及現金等價物	711,179
		2,538,784

Financial liabilities

金融負債

		Financial liabilities at amortised cost 按攤銷成本計量之金融負債	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Trade and bills payables	貿易應付款及應付票據	1,195,705	1,249,039
Financial liabilities included in other payables and accruals	計入其他應付款及 應計項目的金融負債	186,686	219,294
Interest-bearing bank borrowings	計息銀行借款	4,093,186	3,248,267
		5,477,577	4,716,600

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38. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

		Carrying amounts		Fair values	
		賬面值		公平值	
		2018	2017	2018	2017
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets	金融資產				
Bills receivables*	應收票據*	143,404	114,028	143,404	114,028
Financial liabilities	金融負債				
Interest-bearing bank borrowings	計息銀行借款	4,093,186	3,248,267	4,093,186	3,248,267

* Bills receivables as at 31 December 2017 amounting to RMB114,028,000 were classified as financial assets measured at amortised cost under HKAS 39.

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The risk ratings of the banks from where the bills receivables issued as at 31 December 2018 were assessed to be insignificant. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2018 was assessed to be insignificant.

38. 金融工具的公平值及公平值等級

本集團金融資產之賬面值及其公平值（合理約等於公平值的賬面值除外）如下：

* 於2017年12月31日為數人民幣114,028,000元的應收票據根據香港會計準則第39號分類為按攤銷成本計量的金融資產。

管理層已評估，現金及現金等價物、已抵押存款流動部分、貿易應收款、貿易應付款及應付票據、計入預付款、其他應收款及其他資產的金融資產及計入其他應付款及應計項目的金融負債之公平值與其賬面值相若，主要由於該等工具之到期日較短。

金融負債的公平值乃按自願交易方在目前的交易（非強迫或清盤出售）中交易該工具的金額入賬。以下方式及假設用作估計公平值：

計息銀行借款的公平值乃透過利用目前適用於條款、信貸風險及餘下有效期相若的工具的利率貼現預期未來現金流量計算得出。於2018年12月31日，發行應收票據的銀行的風險評級被評估為不重大。於2018年12月31日，本集團本身的計息銀行借款違約風險被評估為不重大。

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38. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets for which fair values are disclosed:

As at 31 December 2018

		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍 市場的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Bills receivables	應收票據	-	-	143,404	143,404

As at 31 December 2017

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		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍 市場的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Bills receivables	應收票據	-	-	114,028	114,028

38. 金融工具的公平值及公平值等級 (續)

公平值等級

下表闡明本集團金融工具的公平值計量等級：

已披露公平值的資產：

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38. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)**Fair value hierarchy (continued)***Liabilities for which fair values are disclosed:***As at 31 December 2018**

		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍 市場的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Interest-bearing bank borrowings	計息銀行借款	-	-	4,093,186	4,093,186

As at 31 December 2017**於2017年12月31日**

		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Interest-bearing bank borrowings	計息銀行借款	-	-	3,248,267	3,248,267

39. Financial Risk Management Objectives and Policies**Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk, and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk**(i) Foreign currency risk**

The functional currency of most of the Company's subsidiaries is RMB since the majority of the revenues of the subsidiaries are derived from operations in Mainland China. Foreign exchange risk arises from future commercial transactions of limited purchases from overseas and recognised assets or liabilities, such as cash and cash equivalents (Note 22) and bank borrowings (Note 26), certain of which are denominated in US\$ and HK\$.

As at 31 December 2018, if RMB had strengthened/weakened by 5.0% against US\$ with all other variables held constant, the profit for the year for each of the years would have changed mainly as a result of foreign exchange gains/losses on the translation of cash and cash equivalents and bank borrowings denominated in US\$ and HK\$. Details of the changes are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Profit for the year increase/(decrease)	年度利潤增加/(減少)		
- Strengthened by 5.0%	- 升值5.0%	153,931	111,594
- Weakened by 5.0%	- 貶值5.0%	(153,931)	(111,594)

39. 財務風險管理目標及政策**財務風險因素**

本集團的活動使本集團面臨不同財務風險：市場風險（包括外幣風險、價格風險及利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的不可預測性，並力求最大限度地降低對本集團財務表現的潛在不利影響。

(a) 市場風險**(i) 外幣風險**

本公司的多數附屬公司的功能貨幣為人民幣，因為該等附屬公司之大多數收入源自中國內地的業務。外幣風險來自有限度的境外採購未來商業交易及已確認的資產或負債，如現金及現金等價物（附註22）及銀行借款（附註26）（其中部份以美元及港元計值）。

於2018年12月31日，倘所有其他變數保持不變，而人民幣相對美元升值/貶值5.0%，有關年度各年的利潤將會有所改變，乃主要由於換算以美元及港元計值的現金及現金等價物及銀行借款的匯兌收益/虧損。變動詳情如下：

39. Financial Risk Management Objectives and Policies (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

Tinplate and aluminium are the major raw materials of the Group. The prices for tinplate and aluminium may be affected by market demand and supply, domestic government policies and other economic conditions. In order to maintain a continued production cycle, the Group has a policy of maintaining a certain level of tinplate and aluminium inventories. The level of the Group's tinplate and aluminium inventories will depend on orders on hand, the prices of tinplate and aluminium in the market and the perceived future trend of the tinplate and aluminium prices. To partially minimise the Group's market price risk exposure, the Group enters into commodity futures contracts of aluminium. In selecting suppliers, the Group usually takes into consideration the price and quality of the tinplate and aluminium. The directors believe it is not necessary for the Group to enter into any long-term supply contracts with its suppliers to ensure stable material prices as there are various sources of tinplate and aluminium and the Group has not experienced any difficulties in securing a steady source of high quality tinplate and aluminium.

(iii) Interest rate risk

Except for bank deposits with stable interest rates, the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk mainly arises from bank borrowings. Bank borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Bank borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow and fair value interest rate risks. The interest rates and terms of repayments of bank borrowings are disclosed in note 26.

39. 財務風險管理目標及政策 (續)

財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險

馬口鐵和鋁是本集團的主要原材料。馬口鐵和鋁價格可能受到市場供需、國內政府政策以及其他經濟狀況影響。為能保持生產周期的持續，本集團制定政策以維持一定水平的馬口鐵和鋁儲備。本集團的馬口鐵和鋁儲備取決於手頭訂單、市場馬口鐵和鋁價格以及可預見未來之馬口鐵和鋁價格。為減低本集團面對的部份市價風險，本集團訂立鋁的遠期商品合約。於選擇供應商時，本集團一般考慮馬口鐵和鋁價格及質量。董事相信，由於馬口鐵和鋁來源眾多以及本集團在尋找高質量馬口鐵和鋁穩定來源方面並無困難，因此本集團並不需要為保證馬口鐵和鋁價格之穩定而與其材料供應商簽訂長期供應合同。

(iii) 利率風險

除具有穩定利率的銀行存款外，本集團並無任何重大計息資產。本集團之收入及經營現金流量實際上並不受市場利率變動影響。

本集團的利率風險主要來自銀行借款。浮息銀行借款令本集團承受現金流量利率風險。定息銀行借款使本集團承受公平值利率風險。本集團並無就其現金流量及公平值利率風險進行任何對沖。銀行借款利率及還款期於附註26披露。

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39. Financial Risk Management Objectives and Policies (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Management does not anticipate any significant impact on interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

As at 31 December 2018, if interest rates of bank borrowings had been 25 basis points higher/lower with all other variable held constant, the profit for the year for each of the years would have changed mainly as a result of higher/lower interest expenses on floating rate borrowings. Details of the changes are as follows:

39. 財務風險管理目標及政策 (續)

財務風險因素 (續)

(a) 市場風險 (續)

(iii) 利率風險 (續)

由於銀行存款的利率預期不會大幅變動，管理層預期利率的變動不會對計息資產產生任何重大影響。

於2018年12月31日，倘所有其他變量保持不變而銀行借款利率上升／下降25個基點，由於對浮息借款的利息開支增加／減少，有關年度各年利潤將會發生變動。變動詳情如下：

		Increase/ (decrease) in basis points 基點增加／ (減少)	Group 本集團 Increase/ (decrease) in profit after tax 除稅後利潤 增加／(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity* 權益*增加／ (減少) RMB'000 人民幣千元
Year ended 31 December 2018	截至2018年12月31日止年度	25	(9,755)	-
Year ended 31 December 2017	截至2017年12月31日止年度	25	(8,317)	-
Year ended 31 December 2018	截至2018年12月31日止年度	(25)	9,755	-
Year ended 31 December 2017	截至2017年12月31日止年度	(25)	8,317	-

* Excluding retained profits

* 不包括留存利潤

39. Financial Risk Management Objectives and Policies (continued)**Financial risk factors (continued)***(b) Credit risk*

The Group has no significant concentrations of credit risk. The carrying amounts of pledged bank deposits, cash and cash equivalents, trade and bills receivables and other receivables included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

39. 財務風險管理目標及政策 (續)**財務風險因素 (續)***(b) 信貸風險*

本集團並無高度集中的信貸風險。綜合財務報表所列已抵押銀行存款、現金及現金等價物、貿易應收款及應收票據以及其他應收款的賬面值為本集團所面臨與其金融資產有關的最大信貸風險。

本集團僅與經認可的、信譽良好的第三方進行交易。按照本集團的政策，需對所有要求採用信用方式進行交易的客戶進行信用審核。另外，本集團對應收賬款餘額進行持續監控，以確保本集團不致面臨重大壞賬風險。對於未採用相關經營單位的功能貨幣結算的交易，除非本集團信用控制部門主管特別批准，否則本集團不提供信用交易條件。

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39. Financial Risk Management Objectives and Policies (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

		12-month ECLs		Lifetime ECLs		
		12個月預期信貸虧損		全期預期信貸虧損		
		Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡易方法 RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables*	貿易應收款*	-	-	-	1,692,347	1,692,347
Financial assets included in prepayments, other receivables and other assets	計入預付款、其他應收款及其他資產的金融資產					
- Normal**	- 正常**	59,582	-	-	-	59,582
Pledged deposits	已抵押存款					
- Not yet past due***	- 尚未逾期***	51,696	-	-	-	51,696
Cash and cash equivalents	現金及現金等價物					
- Not yet past due	- 尚未逾期	893,877	-	-	-	893,877
		1,005,155	-	-	1,692,347	2,697,502

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

*** As at 31 December 2018, all pledged bank deposits and bank balances were deposited with licensed financial institutions without significant credit risk. Management does not expect any losses from non-performance of these counterparties.

39. 財務風險管理目標及政策 (續)

財務風險因素 (續)

(b) 信貸風險 (續)

於2018年12月31日的最大風險敞口及年末階段

下表載列於2018年12月31日基於本集團信貸政策(主要依據過期資料,惟其他資料無需付出額外成本或精力即可取得則作別論)的貸款信用質量及信貸風險最大敞口。呈列的金額為金融資產及金融擔保合約信貸風險敞口的總賬面值。

* 就本集團採用簡易方法進行減值的貿易應收款,基於撥備矩陣的資料於財務報表附註20披露。

** 倘計入預付款、其他應收款及其他資產的金融資產並未逾期且概無資料顯示該等金融資產的信貸風險自初始確認以來顯著增加,則其信用質素被認作「正常」。否則,該等金融資產的信貸質素被認作「存疑」。

*** 於2018年12月31日,所有已抵押銀行存款和銀行結餘均存入持牌金融機構,故無重大信貸風險。管理層並不預期會因該等交易對手的不履約而帶來任何虧損。

39. Financial Risk Management Objectives and Policies (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, amounts due from associates and joint ventures, other receivables and certain derivative instruments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to the financial statements.

39. 財務風險管理目標及政策 (續)

財務風險因素 (續)

(b) 信貸風險 (續)

於2017年12月31日的最大風險敞口

本集團其他金融資產(包括現金及現金等價物、應收聯營公司及合營企業款項、其他應收款及若干衍生工具)的信貸風險來自交易對手違約，最大風險敞口與該等工具的賬面值相等。

由於本集團僅與經認可的、信譽良好的第三方進行交易，故毋須抵押品。本集團按客戶／交易對手、按地理區域及按行業類別管理信貸風險集中問題。本集團並無嚴重的信貸風險集中問題，原因為本集團貿易應收款的客戶群廣泛分佈於各行各業。

有關本集團因貿易應收款所承受之信貸風險的進一步定量分析數據，於財務報表附註20披露。

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39. Financial Risk Management Objectives and Policies (continued)

Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents, the availability of funds through adequate amounts of committed credit facilities and the ability to close out market positions.

Except for non-current interest-bearing bank borrowings, all the Group's financial liabilities will be settled within one year or on demand based on the remaining contractual maturity date at the end of the reporting period and their contractual undiscounted payment amounts are disclosed in note 37 to the financial statements.

The maturity profile of the Group's bank borrowings as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

39. 財務風險管理目標及政策 (續)

財務風險因素 (續)

(c) 流動資金風險

審慎的流動資金風險管理包括維持足夠的現金及現金等價物、透過款額充裕的已承諾信貸融資額度以維持可動用資金及結算市場頭寸之能力。

除非流動計息銀行借款外，根據報告期末的餘下到期合約期限計算，本集團所有財務負債將於一年內或按要求清算，而有關合約未貼現付款額於財務報表附註37披露。

根據合約未貼現付款額，本集團於報告期末的銀行借款的到期情況如下：

		Less than 6 months 少於6個月 RMB'000 人民幣千元	6 to less than 12 months 6個月至少 於12個月 RMB'000 人民幣千元	1 to 5 years 1年至5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
2018	2018年				
Interest-bearing bank borrowings	計息銀行借款	56,891	2,194,848	1,992,392	4,244,131
2017	2017年				
Interest-bearing bank borrowings	計息銀行借款	31,985	989,420	2,341,261	3,362,666

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39. Financial Risk Management Objectives and Policies (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net interest-bearing bank borrowings divided by total equity attributable to equity holders of the Company, in which the net borrowings are calculated as total borrowings less cash and cash equivalents.

The Group's strategy is to maintain a moderate gearing ratio. The gearing ratios as at the end of the reporting periods were as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Total interest-bearing bank borrowings (Note 26)	計息銀行借款總額 (附註26)	4,093,186	3,248,267
Less: Cash and cash equivalents (Note 22)	減：現金及現金等價物 (附註22)	(893,877)	(711,179)
Net borrowings	借款淨額	3,199,309	2,537,088
Equity attributable to equity holders of the Company	本公司股本持有人應佔 權益	4,897,037	4,975,540
Gearing ratio	資產負債比率	65%	51%

39. 財務風險管理目標及政策 (續)

資本管理

本集團資本管理的主要目的為保障本集團能繼續以持續經營方式維持健康的資本比率，從而支持其業務及最大化股東價值。

本集團因應經濟狀況變動及相關資產之風險特點，管理資本架構並作出調整。為維持或調整資本架構，本集團可調整向股東支付股息的金額、向股東返還資本或發行新股份。本集團並未受到任何外界資本規定限制。截至2018年12月31日及2017年12月31日止年度，管理資本的目標、政策或程序概無改變。

與業內其他公司一樣，本集團根據資本負債比率監控其資本。該比率乃按計息銀行借款淨額除以本公司股本持有人應佔總權益計算，其中借款淨額為借款總額減去現金與現金等價物。

本集團之策略為將資產負債比率維持於適中水平。於報告期末之資產負債比率如下：

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40. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

40. 本公司財務狀況表

有關本公司於報告期末財務狀況表之資料載列如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	121	169
Investments in subsidiaries	於附屬公司的投資	5,185,367	4,298,186
Prepayments	預付款	2,361	3,774
Total non-current assets	總非流動資產	5,187,849	4,302,129
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	1,797,924	1,617,441
Prepayments, other receivables and other assets	預付款、其他應收款及其他資產	5,478	5,893
Cash and cash equivalents	現金及現金等價物	63,376	208,832
Total current assets	總流動資產	1,866,778	1,832,166
CURRENT LIABILITIES	流動負債		
Interest-bearing bank borrowings	計息銀行借款	2,142,232	961,297
Other payables and accruals	其他應付款及應計項目	92,466	95,172
Total current liabilities	總流動負債	2,234,698	1,056,469
NET CURRENT ASSETS	流動負債淨額	(367,920)	775,697
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	4,819,929	5,077,826
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	計息銀行借款	1,950,954	2,286,970
Total non-current liabilities	總非流動負債	1,950,954	2,286,970
Net assets	淨資產	2,868,975	2,790,856
EQUITY	權益		
Share capital	股本	2,730,433	2,730,433
Reserves (Note)	儲備 (附註)	138,542	60,423
Total equity	總權益	2,868,975	2,790,856

ZHANG XIN
張新
Director
董事

ZHANG YE
張擘
Director
董事

40. Statement of Financial Position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

		Share-based payment reserve	Exchange fluctuation reserve	Retained profits	Total
		以股份為基礎 支付儲備	匯兌波動 儲備	留存利潤	總計
	Note	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2017	於2017年1月1日	19,592	109,800	136,192	265,584
Total comprehensive income/(loss) for the year	年度全面收入/(虧損)總額	-	(152,565)	148,254	(4,311)
Transfer of share-based payment reserve upon the forfeiture or expiry of share options	購股權沒收或屆滿時轉撥以股份為基礎支付儲備	(812)	-	812	-
2016 final dividend declared	已宣派2016年末期股息	-	-	(117,456)	(117,456)
2017 Interim dividend	2017年中期股息	11	-	(83,394)	(83,394)
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	18,780	(42,765)	84,408	60,423
Total comprehensive income for the year	年度全面收入總額	-	98,421	121,820	220,241
2017 final dividend declared	已宣派2017年末期股息	11	-	(71,648)	(71,648)
2018 Interim dividend	2018年中期股息	11	-	(70,474)	(70,474)
As at 31 December 2018	於2018年12月31日	18,780	55,656	64,106	138,542

41. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 26 March 2019.

40. 本公司財務狀況表 (續)

附註：

本公司之儲備概述如下：

41. 批准財務報表

董事會於2019年3月26日批准及授權刊發本財務報表。

Five-Year Financial Summary

五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated/reclassified as appropriate, is as below:

下表載列本集團於過往五個財政年度之業績、資產、負債及非控股權益概要，此等資料乃摘錄自己刊印經審核綜合財務報告，並已重列／重新分類（如適用）。

Year ended 31 December
截至12月31日止年度

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元	2014 RMB'000 人民幣千元
Revenue	收入	6,591,307	5,978,238	5,220,999	5,103,718	5,295,417
Cost of sales	銷售成本	(5,621,212)	(5,017,347)	(4,266,546)	(4,197,823)	(4,350,276)
Gross profit	毛利	970,095	960,891	954,453	905,895	945,141
Other income and gain	其他收入及收益					
– net	– 淨額	53,402	49,633	65,248	70,995	75,980
Selling and marketing expenses	銷售及營銷費用	(310,937)	(286,891)	(261,531)	(255,852)	(238,196)
Administrative expenses	行政費用	(276,446)	(269,548)	(303,567)	(276,095)	(286,113)
Other expenses	其他支出	–	–	–	(7,000)	–
Finance costs	財務費用	(90,366)	(43,839)	(56,144)	(53,215)	(40,482)
Share of losses of an associate	應佔聯營公司虧損	–	(16)	–	–	–
Profit before income tax	除所得稅前利潤	345,748	410,230	398,459	384,728	456,330
Income tax expense	所得稅開支	(80,476)	(98,358)	(100,488)	(99,795)	(109,480)
Profit for the year	年度利潤	265,272	311,872	297,971	284,933	346,850
Attributable to:	應佔：					
Equity holders of the Company	本公司股本持有人	255,061	310,511	294,071	282,898	345,855
Non-controlling interests	非控股權益	10,211	1,361	3,900	2,035	995
		265,272	311,872	297,971	284,933	346,850
Assets, liabilities and non-controlling interests	資產、負債與非控股權益					
Total assets	總資產	10,975,684	10,250,514	8,506,483	7,843,718	7,618,033
Total liabilities	總負債	(5,727,096)	(4,958,422)	(3,675,267)	(3,519,775)	(3,380,442)
Non-controlling interests	非控股權益	(351,551)	(316,552)	(120,364)	(111,664)	(100,451)
		4,897,037	4,975,540	4,710,852	4,212,279	4,137,140

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中糧
COFCO
自然之源 糧業強國



CPMC HOLDINGS LIMITED
中糧包裝控股有限公司