

**Wan Cheng Metal Packaging Company Limited**  
**萬成金屬包裝有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8291

**2019**  
**INTERIM REPORT**

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “**Directors**”) of Wan Cheng Metal Packaging Company Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries (together, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

# Contents

2	Financial Highlights
3	Corporate Information
5	Unaudited Condensed Consolidated Statement of Comprehensive Income
6	Unaudited Condensed Consolidated Statement of Financial Position
8	Unaudited Condensed Consolidated Statement of Changes In Equity
9	Unaudited Condensed Consolidated Cash Flows Statement
10	Notes to the Unaudited Condensed Consolidated Financial Statements
22	Management Discussion and Analysis
30	Disclosure of Other Information

## Financial Highlights

- The Group's revenue for the six months ended 30 June 2019 was approximately RMB42.2 million, representing a decrease of approximately 18.5% when compared with that for the six months ended 30 June 2018.
- The Group recorded a loss attributable to the owners of the Company of approximately RMB2.4 million for the six months ended 30 June 2019, as compared to a loss attributable to the owners of the Company of approximately RMB3.0 million for the six months ended 30 June 2018.
- The board of Directors (the "Board") does not recommend the payment of interim dividend for the six months ended 30 June 2019.
- As at 30 June 2019, the Group's total cash and bank balances were approximately RMB5.5 million (31 December 2018: approximately RMB1.4 million). Gearing ratio of the Group increased from approximately 42.9% as at 31 December 2018 to approximately 51.7% as at 30 June 2019.

# Corporate Information

## DIRECTORS

### Executive Directors:

Mr. Liang Junqian (*Chairman*)  
Mr. Chan Kit Lung Andy  
(*Chief Executive Officer*)  
Ms. Liang Yingjun

### Independent Non-executive Directors:

Mr. Wong Sui Chi  
Ms. Hua Min  
Ms. Xiao Ping

## AUDIT COMMITTEE

Mr. Wong Sui Chi (*Chairman*)  
Ms. Hua Min  
Ms. Xiao Ping

## REMUNERATION COMMITTEE

Ms. Hua Min (*Chairman*)  
Mr. Wong Sui Chi  
Ms. Xiao Ping

## NOMINATION COMMITTEE

Ms. Xiao Ping (*Chairman*)  
Mr. Wong Sui Chi  
Ms. Hua Min

## COMPANY SECRETARY

Mr. Chiu Wai Yip Raymond

## COMPLIANCE OFFICER

Mr. Chan Kit Lung Andy

## AUTHORISED REPRESENTATIVES

Mr. Chan Kit Lung Andy  
Mr. Chiu Wai Yip Raymond

## REGISTERED OFFICE

PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 3 Huada Road  
Hi-tech Industrial Development Zone  
Ronggui Street, Shunde District  
Foshan City, Guangdong Province  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1203, 12th Floor  
Shanghai Industrial Investment Building  
60 Hennessy Road, Wanchai  
Hong Kong

# Corporate Information (Continued)

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited  
PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited  
Suite 3301-04, 33/F  
Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

## PRINCIPAL BANKERS

Bank of China  
Bank of China Tower  
1 Garden Road  
Hong Kong

Guangdong Shunde Rural Commercial  
Bank Company Limited, Ronggui Branch  
No. 208 Guizhou Avenue  
Ronggui, Shunde District  
Foshan City  
Guangdong Province  
PRC

## COMPLIANCE ADVISER

Dakin Capital Limited (up to 10 July 2019)  
Suites 4505-06, 45/F  
Tower 1, Lippo Centre  
89 Queensway  
Hong Kong

Sorrento Capital Limited  
(appointed on 10 July 2019)  
11/F, The Wellington  
198 Wellington Street  
Central  
Hong Kong

## AUDITORS

Elite Partners CPA Limited  
*Certified Public Accountants*  
10/F., 8 Observatory Road  
Tsim Sha Tsui  
Hong Kong

## STOCK CODE

8291

## COMPANY'S WEBSITE

[www.wanchengholdings.com](http://www.wanchengholdings.com)

## Unaudited Condensed Consolidated Interim Results for the Six Months Ended 30 June 2019

The Board of the Company announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2019, together with the comparative unaudited figures for the six months ended 30 June 2018, as follows:

### Unaudited Condensed Consolidated Statement of Comprehensive Income

	Notes	Three months ended 30 June		Six months ended 30 June	
		2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Revenue	2	22,490	26,795	42,230	51,807
Cost of sales		(17,761)	(21,005)	(32,743)	(40,336)
Gross profit		4,729	5,790	9,487	11,471
Other income and gains	2	516	306	649	470
Selling expenses		(536)	(563)	(1,031)	(967)
Administrative and other expenses		(6,766)	(9,619)	(9,889)	(12,525)
Finance costs	3	(754)	(773)	(1,451)	(1,434)
Loss before income tax		(2,811)	(4,859)	(2,235)	(2,985)
Income tax expense	4	-	772	(149)	-
Loss for the period		(2,811)	(4,087)	(2,384)	(2,985)
Other comprehensive (loss)/income for the period:					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(1,187)	3,172	117	3,470
Total comprehensive (loss)/income for the period attributable to the owners of the Company		(3,998)	(915)	(2,267)	485
Loss per share attributable to owners of the Company – basis and diluted (RMB cents)	6	(0.70)	(1.02)	(0.60)	(0.75)

# Unaudited Condensed Consolidated Statement of Financial Position

		As at	
		30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	29,520	30,571
Payments for leasehold land held for own use under operating lease		5,807	5,807
		<b>35,327</b>	36,378
<b>Current assets</b>			
Inventories	8	20,114	30,130
Trade and bills receivables	9	66,030	58,868
Prepayments, deposits and other receivables		56,677	45,816
Pledged bank deposits	10	3,991	4,239
Cash and cash equivalents		5,457	1,445
		<b>152,269</b>	140,498
<b>Total assets</b>		<b>187,596</b>	176,876

## Unaudited Condensed Consolidated Statement of Financial Position (Continued)

	Notes	As at	
		30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
<b>Current liabilities</b>			
Trade and bills payables	11	31,260	35,649
Accruals and other payables		10,742	4,447
Bank borrowings	12	48,400	40,000
Income tax payable		1,098	1,098
		<b>91,500</b>	81,194
<b>Net current assets</b>		<b>60,769</b>	59,304
<b>Total assets less current liabilities</b>		<b>96,096</b>	95,682
<b>Non-current liabilities</b>			
Deferred tax liabilities		2,473	2,473
<b>Net assets</b>		<b>93,623</b>	93,209
<b>EQUITY</b>			
Equity attributable to the owners of the Company			
Share capital	13	3,372	3,372
Reserves		90,251	89,837
<b>Total equity</b>		<b>93,623</b>	93,209

# Unaudited Condensed Consolidated Statement of Changes in Equity

	Share capital	Share premium	Statutory reserve fund	Capital reserve	Share option reserve	Exchange reserve	Merger reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2018 (Audited)	3,372	87,552	3,826	7,200	-	1,725	(35,783)	25,073	92,965
Loss for the period	-	-	-	-	-	-	-	(2,985)	(2,985)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	3,470	-	-	3,470
Total comprehensive income/(loss) for the period	-	-	-	-	-	3,470	-	(2,985)	485
Share options issued	-	-	-	-	5,632	-	-	-	5,632
At 30 June 2018 (Unaudited)	3,372	87,552	3,826	7,200	5,632	5,195	(35,783)	22,088	99,082
At 1 January 2019 (Audited)	<b>3,372</b>	<b>87,552</b>	<b>3,826</b>	<b>7,200</b>	<b>5,863</b>	<b>4,027</b>	<b>(35,783)</b>	<b>17,152</b>	<b>93,209</b>
Loss for the period	-	-	-	-	-	-	-	(2,384)	(2,384)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	117	-	-	117
Total comprehensive income/(loss) for the period	-	-	-	-	-	117	-	(2,384)	(2,267)
Share options issued	-	-	-	-	2,681	-	-	-	2,681
At 30 June 2019 (Unaudited)	<b>3,372</b>	<b>87,552</b>	<b>3,826</b>	<b>7,200</b>	<b>8,544</b>	<b>4,144</b>	<b>(35,783)</b>	<b>14,768</b>	<b>93,623</b>

# Unaudited Condensed Consolidated Cash Flows Statement

	Notes	Six months ended 30 June	
		2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Net cash used in operating activities		(3,912)	(29,703)
Net cash used in investing activities		(843)	(3,510)
Net cash generated from (used in) financing activities		8,648	(434)
<hr/>			
Net increase (decrease) in cash and cash equivalents		3,893	(33,647)
Cash and cash equivalents at beginning of period		1,445	43,103
Effect on exchange rate changes on cash and cash equivalents		119	3,624
<hr/>			
Cash and cash equivalents at end of period		5,457	13,080

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

## 1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands on 21 April 2016 and its registered office is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and its principal place of business in Hong Kong is Suite 1203, 12th Floor, Shanghai Industrial Investment Building, 60 Hennessy Road, Wanchai, Hong Kong. The shares of the Company were listed on the GEM of the Stock Exchange by way of share offer since 18 July 2017.

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the manufacturing and sales of tinplate packaging products in the PRC.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of unaudited condensed consolidated financial statements for the six months ended 30 June 2019 are consistent with those adopted in the preparation of annual report of the Company dated 27 March 2019 (the "Annual Report") except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "New and Revised HKFRSs") (which include add HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on the unaudited condensed consolidated financial statements for the six months ended 30 June 2019 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the six months ended 30 June 2019.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

### HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale.

HKFRS 16 also includes requirements relating to subleases and lease modifications. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

### HKFRS 16 Leases (Continued)

A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

Based on the preliminary assessment made by the directors of the Company, it is expected that the adoption of HKFRS 16 would not have a significant impact on the Group's revenue, as compared with the current accounting policy.

The Group has not applied any new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared on the historical cost basis. The functional currency of the Company is Hong Kong dollar ("HK\$"). The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 is presented in Renminbi ("RMB") instead of its functional currency as RMB is the principal currency of the economic environment on which the Group operates. All values are rounded to the nearest thousands, except when otherwise indicated.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 2. REVENUE, OTHER INCOME AND GAINS AND SEGMENT INFORMATION

The Group's principal activities are manufacturing and sales of tinplate packaging products.

Revenue from the Group's principal activities during the period under review is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from tinplate packaging products	22,490	26,795	42,230	51,807
Other income and gains:				
Interest income from bank deposits	11	9	11	9
Sale of scrap materials	243	197	376	336
Others	262	100	262	125
	516	306	649	470

### Segment Information

The Group operates in one operating segment which is the manufacturing and sales of tinplate packaging products in Hong Kong and the PRC. The Group determines its operating segment based on information reported to executive directors of the Company who are also the chief operating decision-maker that are used to make strategic decisions. Accordingly, the Group does not present separately segment information and over 90% of the non-current assets are located in the PRC.

The Company is an investment holding company and the principal place of the Group's operation is in the PRC and Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded the PRC (excluding Hong Kong) as its country of domicile.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 2. REVENUE, OTHER INCOME AND GAINS AND SEGMENT INFORMATION (Continued)

### Segment Information (Continued)

The Group's revenue from external customers by geographical location of customers is detailed below:

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
The PRC (country of domicile)	14,456	17,291	30,730	28,215
Hong Kong	8,034	9,504	11,500	23,592
	22,490	26,795	42,230	51,807

Over 90% of the Group's non-current assets are principally attributable to the PRC, being the single geographical region.

### Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the Group's revenue is set out below:

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Customer A	3,359	4,130	7,925	10,169
Customer B	2,418	2,975	6,095	9,011

No other single customers contributed 10% or more to the Group's revenue for six months ended 30 June 2019 and 2018.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 3. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Interest charges on financial liabilities carried at amortised cost:				
Interest expense on bank borrowings	680	565	1,289	1,110
Interest expense on discounted bills receivables	74	206	162	301
Bank charges	-	2	-	23
	<b>754</b>	<b>773</b>	<b>1,451</b>	<b>1,434</b>

## 4. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Current income tax (credit)/ provision for the period	-	(772)	149	-

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is not subject to income tax.

No Hong Kong profit tax was provided as the Group has no estimated assessable profit derived from and earned in Hong Kong during the six months ended 30 June 2018 and 2019.

Provision for the Enterprise Income Tax in the PRC is calculated based on a statutory tax rate of 25% of the estimated assessable profits as determined in accordance with the relevant income tax law in the PRC. The Group had no material unrecognised deferred tax as at 31 December 2018 and 30 June 2019.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 5. DIVIDENDS

The Board does not recommend the payment to interim dividend for the six months ended 30 June 2019.

## 6. LOSS PER SHARE

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss attributable to owners of the Company (RMB'000)	(2,811)	(4,087)	(2,384)	(2,985)
Number of shares for the purpose of basic loss per share ('000)	400,000	400,000	400,000	400,000

No diluted loss per share was presented as there were no potential dilutive ordinary shares in issue during both periods under review.

## 7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired property, plant and equipment of approximately RMB843,000 (six months ended 30 June 2018 (unaudited): approximately RMB3.5 million).

No assets were written off during the six months ended 30 June 2018 and 2019.

Depreciation expenses of approximately RMB1.6 million was recorded for the six months ended 30 June 2019 (six months ended 30 June 2018 (unaudited): approximately RMB1.8 million).

As at 30 June 2019, the buildings with net carrying value of approximately RMB4.8 million (as at 31 December 2018 (audited): approximately RMB4.8 million) were pledged as security for the Group's bills payables (Note 11) and bank borrowings (Note 12).

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 8. INVENTORIES

	As at	
	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Raw materials	14,800	28,981
Work-in-progress	4,400	1,724
Finished goods	914	1,425
	<b>20,114</b>	<b>30,130</b>

## 9. TRADE AND BILLS RECEIVABLES

	As at	
	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Trade receivables	72,983	65,240
Bills receivables	120	701
	<b>73,103</b>	<b>65,941</b>
Less: loss allowance	(7,073)	(7,073)
	<b>66,030</b>	<b>58,868</b>

The credit terms granted to individual customers varies on a customer by customer basis which is determined by management with reference to the creditability of a respective customer.

During the period under review, the general credit period ranged from 30 to 120 days and the general settlement period of bills receivables ranged from 30 to 120 days.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 9. TRADE AND BILLS RECEIVABLES (Continued)

### (a) Ageing analysis

An ageing analysis of the Group's trade and bills receivables as at 31 December 2018 and 30 June 2019, net of impairment, and based on invoice date, is as follows:

	As at	
	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Within 1 month	14,029	10,774
More than 1 month but not more than 3 months	7,221	4,021
More than 3 months but not more than 6 months	4,463	10,844
More than 6 months but not more than 1 year	20,860	22,157
More than 1 year	17,457	11,072
	<b>66,030</b>	<b>58,868</b>

### (b) Impairment of trade and bills receivables

As at 31 December 2018 and 30 June 2019, the Group reviews receivables for evidence of impairment on both individual and collective basis. Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly. As at 31 December 2018 and 30 June 2019, none of trade receivables had been determined by the Group as individually impaired.

## 10. PLEDGED BANK DEPOSITS

As at 31 December 2018 and 30 June 2019, pledged bank deposits were denominated in RMB and pledged as collateral for the issuance of bills payables (Note 11). The pledged bank deposits carry interest at 0.35% per annum during the period under review.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 11. TRADE AND BILLS PAYABLES

	As at	
	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Trade payables	22,398	21,519
Bills payables	8,862	14,130
<b>Trade and bills payables</b>	<b>31,260</b>	<b>35,649</b>

An ageing analysis of the Group's trade and bills payables as at 31 December 2018 and 30 June 2019, based on invoice date, is as follows:

	As at	
	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Within 1 month	16,380	9,055
More than 1 month but not more than 3 months	10,095	24,210
More than 3 months but not more than 6 months	4,243	1,532
More than 6 months but not more than 1 year	141	275
More than 1 year	401	577
<b></b>	<b>31,260</b>	<b>35,649</b>

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 11. TRADE AND BILLS PAYABLES (Continued)

The bills payables are secured by:

- (a) Pledge of buildings held by the Group with net carrying amount of approximately RMB4.8 million and approximately RMB4.8 million as at 31 December 2018 and 30 June 2019, respectively;
- (b) Pledge of payments for leasehold land held for own use under operating lease by the Group with net carrying amount of approximately RMB5.8 million and approximately RMB5.8 million as at 31 December 2018 and 30 June 2019, respectively; and
- (c) Pledged bank deposits of approximately RMB4.2 million and approximately RMB4.0 million as at 31 December 2018 and 30 June 2019, respectively.

The unutilised banking facilities in respect of bank acceptance bills as at 31 December 2018 and 30 June 2019 were amounted to approximately RMB6.0 million and RMBNil, respectively.

## 12. BANK BORROWINGS

	As at	
	30 June 2019 RMB'000 (unaudited)	31 December 2019 RMB'000 (audited)
<b>Current:</b>		
Secured interest-bearing bank borrowings:		
Repayable on demand or within one year	48,400	40,000

Bank borrowings bear interest at floating interest rates. The effective interest rates of bank borrowings were 5.7% and 5.5% per annum for the six months ended 30 June 2018 and 2019, respectively.

# Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2019

## 12. BANK BORROWINGS (Continued)

The bank borrowings and other banking facilities are secured by:

- (a) Pledge of buildings held by the Group with net carrying amount of approximately RMB4.8 million and approximately RMB4.8 million as at 31 December 2018 and 30 June 2019, respectively; and
- (b) Pledged of payments for leasehold land held for own use under operating lease by the Group with net carrying amount of approximately RMB5.8 million and approximately RMB5.8 million as at 31 December 2018 and 30 June 2019.

The unutilised banking facilities in respect of bank borrowings as at 31 December 2018 and 30 June 2019 amounted to RMB6.0 million and RMBNil, respectively.

## 13. SHARE CAPITAL

	Number of shares	Nominal value of ordinary shares RMB'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 30 June 2019	10,000,000	83,490
	10,000,000	83,490
Issued and fully paid		
Ordinary shares of HK\$0.01 each		
At 30 June 2019	400,000,000	3,372

# Management Discussion and Analysis

## BUSINESS ACTIVITIES

The Group is principally engaged in manufacturing and sales of tinplate packaging products in the PRC and Hong Kong. The shares of the Company were listed on the GEM of the Stock Exchange (the “Listing”) on 18 July 2017 (the “Listing Date”). Since the listing of the Company’s share on the GEM of the Stock Exchange, there has been no significant change in the business operations of the Group.

## BUSINESS REVIEW AND PROSPECT

During the six months ended 30 June 2019, the Group derived the revenue principally from the sale of tinplate packaging products in the Hong Kong and PRC. The major products were tin cans and steel pails, which are generally used for storing paint and coatings.

The Group recorded a decrease in revenue by approximately RMB9.6 million, or approximately 18.5%, from approximately RMB51.8 million for the six months ended 30 June 2018 to approximately RMB42.2 million for the six months ended 30 June 2019, which was contributed by the decrease in the sales demand of the Group’s tinplate packaging products.

The Group recorded a loss of approximately RMB2.4 million for the six months ended 30 June 2019 as compared to approximately RMB3.0 million for the six months ended 30 June 2018. The decrease mainly attributable to the decrease of share-based payment expenses recognised of approximately RMB2.7 million and RMB5.4 million in relation to the share options granted during the six months ended 30 June 2019 and 2018 respectively.

Looking forward, the Group is going to further consolidate its market share in the tinplate packaging business and to continue to expand domestically by implementing the following business strategies:

For steel pails, the Group purchased one new production line for production of steel pails to meet the potential growth on the Group’s revenue from the sales of steel pails so as to maintaining its competitiveness.

## Management Discussion and Analysis (Continued)

For tin cans, the Group upgraded of its existing production lines. The Group considers that upgrading of the production line will enhance the overall production efficiency as well as to have better control over the operating costs, and ultimately enhance the profitability.

As part of its strategy to expand its market share, the Group will attend certain exhibition for coatings and coating related products. The Group also plan to expand the sales team with experienced staff in order to focus on the soliciting of new customers for its product portfolio. The Group aim to achieve stable growth and reduce the concentration risk in any single customer group by the expansion of the customer base.

With the Group's experienced management team and reputation in the market, the Directors consider the Group to be well-positioned to compete against its competitors and future challenges.

### DEBTS AND CHARGE ON ASSETS

The Group had total borrowings of RMB40.0 million and RMB48.4 million as at 31 December 2018 and 30 June 2019, respectively.

The bank borrowings and other banking facilities are secured by:

- (a) Pledge of buildings held by the Group with net carrying amount of approximately RMB4.8 million and approximately RMB4.8 million as at 31 December 2018 and 30 June 2019, respectively;
- (b) Pledge of payments for leasehold land held for own use under operating lease by the Group with net carrying amount of approximately RMB5.8 million and approximately RMB5.8 million as of 31 December 2018 and 30 June 2019, respectively; and
- (c) Pledged bank deposits of approximately RMB4.2 million and approximately RMB4.0 million as at 31 December 2018 and 30 June 2019, respectively.

## Management Discussion and Analysis (Continued)

The unutilised banking facilities in respect of bank acceptance bills 31 December 2018 and 30 June 2019 is amounted to approximately RMB6.0 million and RMBNil, respectively.

The unutilised banking facilities in respect of bank borrowings as at 31 December 2018 and 30 June 2019 amounted to RMB6.0 million and RMBNil, respectively.

### FINANCIAL REVIEW

#### Revenue

During the six months ended 30 June 2019, the Group derived the revenue principally from the sale of tinplate packaging products in the Hong Kong and PRC. The Group generally recognises revenue from the sales of tinplate packaging products upon delivery of the products to the customers with their acceptance of the Group's products.

Revenue from the sales of tin cans decreased by approximately RMB1.3 million, or approximately 5.2%, from approximately RMB25.1 million for the six months ended 30 June 2018 to approximately RMB23.8 million for the six months ended 30 June 2019. Such decrease was mainly due to the decrease in customer orders during the six months ended 30 June 2019.

Revenue from the sales of steel pails, which have relatively higher average selling price per unit than tin cans, decreased by approximately RMB2.9 million, or approximately 13.6%, from approximately RMB21.3 million for the six months ended 30 June 2018 to approximately RMB18.4 million for the six months ended 30 June 2019. Such decrease was mainly due to the decrease of customer orders during the six months ended 30 June 2019.

# Management Discussion and Analysis (Continued)

## Cost of sales

Cost of sales mainly comprised the cost of tinplate coil, tinplate processing costs, ancillary materials and consumables, staff costs, depreciation, utilities and repair and maintenance costs. The cost of sales decreased by approximately RMB7.6 million, or approximately 18.8% from approximately RMB40.3 million for the six months ended 30 June 2018 to approximately RMB32.7 million for the six months ended 30 June 2019. Such decrease was mainly due to the effect of decrease in revenue for the six months ended 30 June 2019.

## Gross profit and gross profit margin

Gross profit decreased from approximately RMB11.5 million for the six months ended 30 June 2018 to approximately RMB9.5 million for the six months ended 30 June 2019.

Gross profit margin remained stable from approximately 22.1% for the six months ended 30 June 2018 to 22.5% for the six months ended 30 June 2019.

## Other income and gains

Other income and gains mainly represents the sales of scrap materials and interest income from bank deposits, which remained stable from approximately RMB0.5 million for the six months ended 30 June 2018 to approximately RMB0.6 million for the six months ended 30 June 2019.

## Selling expenses

The Group's selling expenses mainly included transportation costs for its logistic team, staff costs, entertainment expenses and consumables which remained stable at approximately RMB1.0 million and RMB1.0 million for the six months ended 30 June 2018 and 2019 respectively.

# Management Discussion and Analysis (Continued)

## Administrative and other expenses

The Group's administrative and other expenses mainly included staff costs, building administrative fees, other tax expenses, depreciation and amortization, travelling and entertainment, office consumables and supplies, legal and professional fees, listing expenses and other miscellaneous administrative expenses which decreased by approximately RMB2.6 million or 21.0% from approximately RMB12.5 million for the six months ended 30 June 2018 to approximately RMB9.9 million for the six months ended 30 June 2019. The decrease was mainly due to the decrease of share-based payment expenses recognised in relation to the share options granted. Excluding the share-based payment, the administrative and other expenses remained stable at approximately RMB7.1 million and RMB7.2 million for the six months ended 30 June 2018 and 2019 respectively.

## Finance costs

The Group's finance costs mainly comprised of interest expenses on bank borrowings and discounted bills receivables and bank charges. The finance costs increased by approximately RMB0.1 million, or approximately 1.2%, from approximately RMB1.4 million for the six months ended 30 June 2018 to approximately RMB1.5 million for the six months ended 30 June 2019. Such increase was mainly due to the higher interest rate of bank borrowings in the six months ended 30 June 2019 as compared to the six months ended 30 June 2018.

## Loss for the period

As a result of the cumulative factors discussed above, the loss for the period under review from profit of approximately RMB3.0 million for the six months ended 30 June 2018 to loss of approximately RMB2.4 million for the six months ended 30 June 2019. Such loss was mainly attributable to the recognition of share-based payment expenses of approximately RMB2.7 million which arose from the share options granted during the six months ended 30 June 2019. Excluding the non-recurring share-based payment expenses, the adjusted results of the Group were profit of approximately RMB0.3 million.

# Management Discussion and Analysis (Continued)

## Dividends

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2019.

## LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group funded its liquidity primarily through cash inflows operating activities and repayment its bank borrowings.

As at 30 June 2019, the Group's total cash and bank balances were approximately RMB5.5 million (approximately RMB1.4 million as at 31 December 2018). Gearing ratio of the Group increased from approximately 42.9% as at 31 December 2018 to approximately 51.7% as at 30 June 2019.

## TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that it can meet the funding requirements.

## KEY PERFORMANCE INDICATORS (“KPIs”) WITH THE STRATEGY OF THE GROUP

An analysis of the Group's performance during the period using KPIs in the section “Financial Review” on pages 24 to 26 of this interim report.

## PRINCIPAL RISKS, UNCERTAINTY AND RISK MANAGEMENT

The Group's credit risk is primarily attributable to its trade and bills receivables, other receivables and cash at banks. We have a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In respect of trade receivables and other receivables, individual credit evaluations are performed on customers. These evaluations focus on their past history of making payments when due and current ability to pay, and take into account information specific to them as well as pertaining to the economic environment in which the customers operate.

# Management Discussion and Analysis (Continued)

## MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

The Group did not carry out any material acquisition nor disposal of any subsidiaries for the six months ended 30 June 2019.

## CONTINGENT LIABILITIES

As at 30 June 2019, there were no significant contingent liabilities for the Group.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group employed 189 employees (31 December 2018: 199 employees). Staff costs of the Group (including Directors' remuneration, wages, salaries and other benefits and contribution to defined contribution pension plans) amounted to approximately RMB4.6 million for the six months ended 30 June 2019 (for the six months ended 30 June 2018: approximately RMB6.0 million). The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' overall remuneration is determined based on the Group's and the employees' qualifications and performance.

## SIGNIFICANT INVESTMENTS HELD

Except for investment in its subsidiaries, the Group did not hold any significant investment for the six months ended 30 June 2019.

## FOREIGN EXCHANGE EXPOSURE

The Group's main operations are in the PRC with most of its transactions settled in RMB. The Directors are of the opinion that the Group's exposure to foreign exchange risk is insignificant. During the six months ended 30 June 2019, the Group did not hedge any exposure to foreign exchange risk.

# Management Discussion and Analysis (Continued)

## CAPITAL STRUCTURE

The shares of the Company was successfully listed on the GEM of the Stock Exchange on 18 July 2017. There has been no change in the capital structure of the Company since then. The share capital of the Company only comprises of ordinary shares.

As at 4 May 2016, the Company's issued share capital was HK\$3,000,000 and the number of its issued ordinary share was 300,000,000 of HK\$0.01 each. As at Listing Date, the Company's issued share capital was increased to HK\$4,000,000 and the number of its issued ordinary shares was 400,000,000 of HK\$0.01 each.

Details regarding the maturity profiles of debt for the six months ended 30 June 2019 are presented for the Group as disclosed on note 12 of the notes to the unaudited condensed consolidated financial statements.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and in this interim report, the Group did not have other plans for material investments or capital assets as of 30 June 2019.

## Disclosure of Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2019, the interests and short positions of the Directors and chief executive of the Company 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 (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were 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 they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

#### Long position in the shares of the Company

Name of Director	Capacity/ Nature of interest	Number of shares held/ interested in	Approximate percentage of shareholding
Ms. Liang Yingjun ("Ms. Liang") (Note 1)	Interest in spouse	124,875,000	31.22%

Note:

- Ms. Liang is the spouse of Mr. Liang Jianxun ("Mr. JX Liang"). Mr. JX Liang beneficially owns 50% of the issued share capital of Fortune Time Enterprises Limited ("Fortune Time"). By virtue of the SFO, Mr. JX Liang is deemed to be interested in 124,875,000 shares held by Fortune Time Enterprises Limited. Therefore, Ms. Liang is deemed to be interested in the shares in which Mr. JX Liang is interested in for the purpose of the SFO.

Save as disclosed above, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

## Disclosure of Other Information (Continued)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2019, the interests and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

#### Long positions in shares of the Company

Name	Capacity/ Nature of interest	Number of shares held/ interested in	Approximate percentage of shareholding
Fortune Time (Note 1)	Beneficial owner	124,875,000	31.22%
Mr. JX Liang (Note 1)	Interest in a controlled corporation	124,875,000	31.22%
Ms. Liang Zhimei (Note 1)	Interest in a controlled corporation	124,875,000	31.22%
Mr. Zhang Zhiwei (Note 1)	Interest in a controlled corporation	124,875,000	31.22%
Mr. Luo Yuanying (Note 2)	Interest of spouse	124,875,000	31.22%
Ms. Yu Xianghong (Note 3)	Interest of spouse	124,875,000	31.22%

Notes:

1. Fortune Time is owned as to 50%, 25% and 25% by each of Mr. JX Liang, Ms. Liang Zhimei and Mr. Zhang Zhiwei respectively. Each of Mr. JX Liang, Ms. Liang Zhimei and Mr. Zhang Zhiwei is deemed to be interested in the Shares held by Fortune Time pursuant to the SFO.
2. Mr. Luo Yuanying is the spouse of Ms. Liang Zhimei. Therefore, Mr. Luo Yuanying is deemed to be interested in the Share in which Ms. Liang Zhimei is interested in for the purpose of the SFO.
3. Ms. Yu Xianghong is the spouse of Mr. Zhang Zhiwei. Therefore, Ms. Yu Xianghong is deemed to be interested in the Shares in which Mr. Zhang Zhiwei is interested in for the purpose of the SFO.

## Disclosure of Other Information (Continued)

### SHARE OPTION SCHEME

The Company has conditional adopted a share option scheme (the “Share Option Scheme”) on 23 June 2017. For the principal terms of the Share Option Scheme, please refer to “D. Share Option Scheme” in Appendix V to the Prospectus.

Up to the date of this report, 80,000,000 share options has been granted by the Company pursuant to such Share Option Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one share of HK\$0.01 each of the Company.

Category of participants	Date of grant	Number of share options				Outstanding as at 30 June 2019	Exercisable period	Exercise price per share (HK\$)
		Granted during the six months ended 30 June 2019	Exercised during the six months ended 30 June 2019	Cancelled during the six months ended 30 June 2019	Forfeited during the six months ended 30 June 2019			
<b>Employees</b>								
	17 April 2018	-	-	-	-	32,000,000	10 years	0.375
	10 April 2019	36,000,000	-	-	-	36,000,000	10 years	0.156
<b>Consultants</b>								
	17 April 2018	-	-	-	-	8,000,000	10 years	0.375
	10 April 2019	4,000,000	-	-	-	4,000,000	10 years	0.156

### USE OF PROCEEDS

The Company successfully listed on the GEM of the Stock Exchange on 18 July 2017 and 100,000,000 ordinary shares were issued at HK\$0.65 per share by way of share offer (“Share Offer”). Net proceeds from the Share Offer was approximately HK\$33.4 million (after deducting the underwriting fees and other related expenses).

These proceeds are designated for the purposes in accordance the Company’s prospectus dated 29 June 2017 (“Prospectus”), which is (i) approximately 56.1% of the net proceeds, representing approximately HK\$18.7 million to purchase of one new production line for production of steel pails, (ii) approximately 10.2% of the net proceeds, representing approximately HK\$3.4 million to upgrade of the Group’s existing production line, (iii) approximately 27.4% of the net proceeds, representing approximately HK\$9.2 million to repay bank loan and (iv) approximately 6.3% of the net proceeds, representing approximately HK\$2.1 million for general working capital purposes.

## Disclosure of Other Information (Continued)

As at 30 June 2019, the Group's planned application and actual utilisation of the net proceeds are set out below:

Use of proceeds	Net proceeds HK\$ million	Utilised HK\$ million
Purchase of production line for production of steel pails	18.7	18.7
Upgrade of existing production lines	3.4	3.4
Partial repayment of bank loan	9.2	9.2
General working capital	2.1	2.1
	33.4	33.4

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2019.

### DIRECTORS' INTERESTS IN CONTRACTS

As at 30 June 2019, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

### DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

As at 30 June 2019, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## Disclosure of Other Information (Continued)

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all Directors, the Directors confirmed that they have complied with the required standard of dealings and the said guidelines regarding Directors' securities transactions up to the date of this report.

### COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors consider that up to the date of this interim report, the Company has applied the principles and complied with all the applicable code provisions set out in Appendix 15 – Corporate Governance Code to the GEM Listing Rules ("CG Code").

### INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Dakin Capital Limited (the "Dakin Capital") as the compliance adviser. The Dakin Capital, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 20 October 2017, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

As disclosed in the Company's announcement dated 10 July 2019, the compliance adviser agreement with Dakin Capital has been terminated with effect from 10 July 2019. Sorrento Capital Limited has been appointed as the new compliance adviser with effect from 10 July 2019.

## Disclosure of Other Information (Continued)

### AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the “Audit Committee”) with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Wong Sui Chi (chairman), Ms. Hua Min and Ms. Xiao Ping, all of whom are independent non-executive Directors.

The Audit Committee had reviewed with the management of the Company the accounting principles and practices adopted by the Group and this report. The condensed consolidated financial results for the six months ended 30 June 2019 are unaudited, but have been reviewed by the Audit Committee.

By order of the Board  
**Wan Cheng Metal Packaging Company Limited**  
**Liang Junqian**  
*Chairman and executive Director*

Hong Kong, 13 August 2019

*As at the date of this interim report, the Executive Directors are Mr. Liang Junqian, Mr. Chan Kit Lung Andy and Ms. Liang Yingjun; the independent non-executive Directors are Mr. Wong Sui Chi, Ms. Hua Min and Ms. Xiao Ping.*