中國鋁罐控股有限公司

China Aluminum Cans Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 6898

2015
ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lin Wan Tsang *(Chairman)*
Mr. Chamlong Wachakorn
Mr. Dong Jiangxiong (appointed on 31 March 2016)
Ms. Ko Sau Mee
Mr. Lin Hing Lung (appointed on 31 March 2016)

Non-executive Director

Mr. Kwok Tak Wang

Independent Non-executive Directors

Mr. Chung Yi To
Ms. Guo Yang
Mr. Leung Man Fai
Dr. Lin Tat Pang

COMMITTEES OF THE BOARD

Audit Committee

Mr. Leung Man Fai *(Chairman)*
Mr. Chung Yi To
Ms. Guo Yang
Dr. Lin Tat Pang

Remuneration Committee

Mr. Leung Man Fai *(Chairman)*
Mr. Chung Yi To
Ms. Guo Yang
Mr. Kwok Tak Wang
Dr. Lin Tat Pang
Mr. Lin Wan Tsang

Nomination Committee

Dr. Lin Tat Pang *(Chairman)*
Mr. Chung Yi To
Ms. Guo Yang
Mr. Kwok Tak Wang
Mr. Leung Man Fai
Mr. Lin Wan Tsang

Risk Management Committee

Mr. Chung Yi To *(Chairman)*
Mr. Kwok Tak Wang
Mr. Leung Man Fai
Dr. Lin Tat Pang

AUTHORIZED REPRESENTATIVES

Mr. Lam Chi Ming, Francis
Mr. Lin Wan Tsang

COMPANY SECRETARY

Mr. Lam Chi Ming, Francis

REGISTERED OFFICE

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HEADQUARTER OF BUSINESS IN THE PRC

No. 5 Ya bo Nan Road
National Health Technology Park of Zhongshan
Torch Development Zone
Zhongshan City
Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit G, 20/F., Golden Sun Centre
Nos. 59/67 Bonham Strand West
Sheung Wan
Hong Kong

Corporate Information

AUDITORS

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL REGISTRAR AND TRANSFER OFFICER

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited
Bank of China Limited
Bangkok Bank (China) Company Limited

STOCK CODE

6898

WEBSITE FOR THE COMPANY

www.6898hk.com

Chairman's Statement

On behalf of the board (the "Board") of directors of the Company (the "Directors"), I am pleased to present to the shareholders the annual report and audited consolidated financial statements of China Aluminum Cans Holdings Limited (the "Company", together with its subsidiaries, the "Group") for the year ended 31 December 2015 (the "Reporting Period").

RESULTS

During the Reporting Period, the Group's total turnover was approximately HK$693.7 million, representing a decrease of approximately 7.8% compared to that of last year (2014 (restated): HK$752.7 million) while the Group's profit for the year amounted to approximately HK$79.3 million, slightly decreased by approximately 2.9% compared to the prior year (2014 (restated): HK$81.7 million).

DIVIDEND

The Board is recommending a final dividend of HK2.2 cents per share for the Reporting Period.

OPERATING ENVIRONMENT AND PROSPECTS

The Group continue to face severe world-wide competition in the aluminum aerosol cans markets, especially from the increase in competition from small-sized overseas aerosol can manufacturers, the soft landing of the People's Republic of China ("PRC") economy and the slowdown of growth in the consumable products and domestic demands in high end personal care products in PRC.

The acquisition of Topspan Holdings Limited and its subsidiaries (collectively, the "Topspan Group") (the "Acquisition") was completed on 20 May 2015. Topspan Group is engaged in the content filling of aerosol cans and production and sale of aerosol and non-aerosol products, including high-end car care service products. The financial results of Topspan Group had been consolidated into the Group's financial results for the Reporting Period.

The Board is of the view that by vertically integrating with the Topspan Group, our Group will be able to capture downstream profit margins by gaining access to downstream distribution channels and enhance our revenue sources. With the Acquisition, our Group would be able to directly supply aluminum aerosol cans for the packaging of high-end car care service products and the products of the Group will be able to enter into the consumer markets under the Group's brand name. Profitability of the aluminum aerosol cans of the Group would be guaranteed and the profitability of the Group will be further enhanced with the sound track record of the Topspan Group.

Looking forward from 2015, it is expected that 2016 would be a challenging period due to the recent depreciation of Renminbi ("RMB") and the estimated slowdown of the PRC economy. The Group will focus on developing sustainable manufacturing and packaging business while reinforcing its capabilities and strengths to provide our customers with stable, sustainable and more comprehensive products.

GRATITUDE

On behalf of the Company, I would like to express my sincere gratitude to our valued shareholders, customers, banks and to our management and employees for their continuous trust and support to our Group.

By order of the Board
Lin Wan Tsang
Chairman

Hong Kong, 31 March 2016

Management Discussion and Analysis

BUSINESS OVERVIEW

During the Reporting Period, our Group principally engaged in (i) the manufacturing of monobloc aluminum aerosol cans, which are generally used in the packaging of fast-moving personal care products such as body deodorant, hair styling products and shaving cream, as well as pharmaceutical products such as pain relieving spray, spray dressing and antiseptic spray; and (ii) the content filling of aerosol cans, and production and sale of aerosol and non-aerosol products which focuses on, among others, the development of high-end car care service products. The Group has a wide range of extrusion dies available to produce more than 50 models of aluminum aerosol cans of base diameters from 22 mm to 66 mm and heights from 58 mm to 240 mm with various features and shapes for our customers' selection. In addition, aerosol and non-aerosol products produced and sold by the Group includes car refrigerants, air conditioner disinfectant cleaner, paint remover, spray paint, wax, air fragrance, multi-purpose foam cleaner, carburetor cleaner, anti-rust lubricating spray, furniture polisher and sticker remover.

Being impacted by the severe competition from smaller-sized overseas aerosol can manufacturers, the soft landing of the PRC economy and the slowdown of growth in the domestic consumption on high-end personal care and cosmetic products, the Group's total turnover and profit for the year recorded a decrease of approximately 7.8% and 2.9% as compared to the prior year.

In November 2015, a subsidiary of the Group had acquired, including but not limited to, a production line which will help us to meet a substantial order on 66 mm aluminum aerosol cans placed by one of our customers. By taking advantage of economies of scale of production after increasing the production capacity, the Group's competitiveness will be further improved.

FINANCIAL REVIEW

Turnover

Aluminum aerosol cans segment

For the Reporting Period, the Group's aluminum aerosol cans segment has recorded a turnover of approximately HK$212.3 million (2014 (restated): HK$235.7 million), representing a decrease of approximately 9.9% as compared to the corresponding period of 2014. The number of aluminum aerosol cans sold by the Group for the Reporting Period was approximately 146.2 million (2014: 165.0 million).

Aerosol and non-aerosol products segment

For the Reporting Period, our aerosol and non-aerosol products segment has generated revenue amounting to approximately HK$481.4 million (2014 (restated): HK$517.0 million) representing a decrease of approximately 6.9% as compared to the corresponding period of 2014.

PRC and oversea customers

Our PRC customers and overseas customers contributed approximately HK$472.8 million (2014 (restated): HK$468.8 million) and HK$220.9 million (2014 (restated): HK$283.9 million) to the total revenue of the Group during the Reporting Period. There was a decrease of approximately 22.2% in sales from our overseas customers which is primarily due to the increase in global competitions.

Cost of Sales

For the Reporting Period, cost of sales of the Group amounted to approximately HK$483.7 million (2014 (restated): HK$538.0 million), representing a decrease of approximately 10.1% as compared to the corresponding period of 2014, and represent approximately 69.7% (2014 (restated): 71.5%) of the turnover during the period.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of transportation expenses and declaration charges for delivery of products to customers, salaries, performance bonuses and employee benefits expenses for the sales and marketing staff, business travel and entertainment expenses, exhibition expenses and advertisement and promotion costs. For the Reporting Period, selling and distribution expenses was approximately HK$47.8 million (2014 (restated): HK$49.2 million), representing a decrease of approximately 2.8% as compared to the corresponding period of 2014. The decrease was primarily due to the decrease in transportation expenses and performance bonuses resulted from the decrease in sales during the Reporting Period.

Administrative Expenses

Administrative expenses mainly represented the salaries and benefits of the administrative and management staff, research and development expenses, professional consulting fees, depreciation, share option expense and other miscellaneous administrative expenses. For the Reporting Period, administrative expenses was approximately HK$47.8 million (2014 (restated): HK$44.3 million), representing an increase of approximately 7.9% as compared to the corresponding period of 2014. The increase in administrative expenses was primarily due to the increase in business taxes and surcharges of HK$5.2 million, as a result of a four percent consumption tax imposed by the PRC government on painting and coating related products beginning from February 2015.

Net Profit

The Group's net profit amounted to approximately HK$79.3 million for the Reporting Period (2014 (restated): HK$81.7 million), representing a decrease of approximately 2.9% as compared to the corresponding period in 2014. Net profit margin for the Reporting Period was approximately 11.4% (2014 (restated): 10.9%), representing an increase of approximately 0.5% as compared to the corresponding period of 2014. Such increase was primarily due to the decrease in the price of aluminum ingots and chemical raw materials during the Reporting Period.

LIQUIDITY AND CAPITAL RESOURCES

Net Current Assets

As at 31 December 2015, the Group had net current assets of approximately HK$170.3 million (2014 (restated): HK$37.9 million). The Group's cash and cash equivalents amounted to HK$179.6 million as at 31 December 2015 (2014 (restated): HK$105.3 million). The current ratio of the Group was approximately 2.0 as at 31 December 2015 (2014 (restated): 1.1).

Borrowing and the Pledge of Assets

The bank borrowings of the Group, which were secured by our properties, plant and equipment, land use rights and pledged bank deposits amounted to approximately HK$61.1 million (of which HK$57.4 million, HK$3.1 million and HK$0.6 million are denominated in RMB, US$ and HK$ respectively) as at 31 December 2015 with maturity date from 2016 to 2018 (31 December 2014 (restated): HK$141.0 million). Except for the finance lease payable which is charged at 4.11%, all other bank borrowings are charged with reference to bank's preferential floating rates.

As at 31 December 2015, we had available unutilized banking facilities of approximately HK$127.8 million (31 December 2014 (restated): HK$141.6 million). Further details of the Group's bank borrowings are set out in note 25 to the consolidated financial statements.

Gearing Ratio

As a result of the decrease in total borrowing of the Group and the increase in cash and cash equivalent from the Company's placing in June 2015, the gearing ratio, which is calculated by dividing total borrowings by total equity, decreased to approximately -10% as at 31 December 2015 (2014 (restated): 25%). Further details of the Group's bank borrowings are set out in note 25 to the consolidated financial statements.

Contingent Liabilities

As at 31 December 2015, the Group had no significant contingent liabilities.

Contractual Obligations

As at 31 December 2015, the Group's operating lease and capital commitment amounted to HK$1.1 million (2014 (restated): HK$0.5 million) and HK$37.1 million (2014 (restated): HK$9.2 million), respectively.

CAPITAL STRUCTURE

As at 31 December 2015, the total number of issued ordinary shares of the Company ("Shares") was 624,143,000 (31 December 2014 (restated): 404,865,000).

FOREIGN EXCHANGE EXPOSURE AND EXCHANGE RATE RISK

Approximately 31.8% of the Group's revenue for the Reporting Period were denominated in US$. However, over 90% of the production costs were settled in RMB. Therefore there is a currency mismatch between US$ revenue and RMB production costs, which give rise to exposure to foreign exchange risk. Furthermore, there is a time lag between invoicing and final settlement from customers of export sales. The Group is exposed to foreign exchange risks if the foreign exchange rate at which the US$ sales proceeds received from export sales is different from the rate at which the Group used to book the US$ sales transactions at the time of sales.

We have entered into foreign currency forward contracts with state-owned banks in the PRC to hedge the foreign exchange risks arising out of the currency mismatch between the US$ sales proceeds from our export sales and our predominantly RMB based operations in the PRC. As a result of the slight depreciation of RMB against US$, we managed to account for approximately RMB12,844 of realised gains on the forward contracts for the Reporting Period.

As at 31 December 2015, we had outstanding foreign currency forward contracts with notional amounts of US$4.0 million. A fair value gain on the outstanding foreign currency forward contracts of approximately HK$2.1 million had been recognized for the year ended 31 December 2015.

FORWARD PURCHASE OF ALUMINUM INGOTS

The major raw materials for manufacturing of aluminum aerosol cans are aluminum slugs which are processed from aluminum ingots. Aluminum ingots are a widely used metal commodity, as such the price of aluminum ingots fluctuates depending on the market supply and demand conditions.

In order to avoid our business from being negatively impacted by substantial increases in the cost of aluminum ingots, it has been our practice to hedge part of our monthly estimated requirement of aluminum ingots through forward purchases and cover the remainder through purchases in the spot market. This practice enables us to average down our actual cost of aluminum ingots for production in the event of a significant increase in the spot price of aluminum ingots after our forward purchases.

As at 31 December 2015, we had no outstanding forward purchases of aluminum ingots as the aluminum price was relatively stable during the Reporting Period.

EMPLOYEES AND EMOLUMENTS POLICY

As at 31 December 2015, the Group had employed a total of 716 employees (2014: 819 employees). The staff costs, including directors' emoluments but excluding any contributions to pension scheme, were approximately HK$58.2 million for the Reporting Period (2014 (restated): HK$54.6 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance and share options are granted to attract and retain eligible employees of the Group. The emoluments of Directors have been determined with reference to the skills, knowledge, contribution in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the year.

SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not have any significant investments.

USE OF PROCEEDS

Our business objectives and planned use of proceeds as stated in the prospectus dated 28 June 2013 (the "Prospectus") were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus. The actual use of proceeds was based on the actual market development. The net proceeds from the public offer and placing of our Shares (the "Share Offer") were approximately HK$80 million. During the Reporting Period, the net proceeds from the Share Offer had been applied as follows:

Business objectives as stated in the prospectus	Actual net proceeds (HK$ million)	Amount utilized up to 31 December 2015 (HK$ million)	Balance as at 31 December 2015 (HK$ million)
Partially fund the expansion of our production capacity, including the upgrade of our existing production lines and the acquisition of a brand new production line for aluminum aerosol cans	48.0	48.0	–
Establish a new research and development laboratory	12.0	–	12.0
Partially repay US$ denominated bank loan	16.0	16.0	–
General working capital purposes	4.0	4.0	–
	80.0	68.0	12.0

The unused net proceeds have been placed as interest bearing deposits with licensed banks in Hong Kong and PRC in accordance with the intention of the Board as disclosed in the Prospectus.

Management Discussion and Analysis

FUND RAISING ACTIVITIES

During the Reporting Period, the Group had conducted two placings which details are summarised as below:

(i) On 12 May 2015, the Company issued 49,800,000 new Shares of HK$0.01 each to not less than six independent third parties at a price of HK$2.41 per Share under the specific mandate granted to the Directors at the extraordinary general meeting of the Company held on 22 April 2015. The net proceeds of approximately HK$112.6 million were intended to be used for the Group to pay in and towards the satisfaction of the payment obligations for the Acquisition. As at the date of this report, the entire amount had been utilised as intended.

(ii) On 8 June 2015, Wellmass International Limited ("Wellmass"), a controlling shareholder of the Company, and the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent agreed, on a best efforts basis, to procure not fewer than six placees to purchase, and Wellmass agreed to sell, up to 80,000,000 existing Shares at a price of HK$2.28 per Share. On 9 June 2015, an aggregate of 41,174,000 Shares were successfully placed to not less than six placees, who and whose ultimate beneficial owners are independent third parties of the Company, at the placing price of HK$2.28 per placing share. On 16 June 2015, 41,174,000 Shares were issued and allotted to Wellmass at a subscription price of HK$2.28 each. The net proceeds from the subscription amounted to approximately HK$90.2 million (representing a net price of approximately HK$2.19 per subscription Share) and were intended to be used for the general working capital and/or to finance potential investment projects of the Group. As at the date of this report, the entire amount had been utilised as intended.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Apart from strengthening the Group's current business, the Group will explore new business opportunities as and when appropriate, in order to enhance shareholder's value.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The acquisition of Topspan Group was completed on 20 May 2015. Topspan Group is engaged in the content filling of aerosol cans and production and sale of aerosol and non-aerosol products, including high-end car care service products. Other than the above, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the Reporting Period.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the Reporting Period except CG Code provision A.2.1.

Pursuant to CG Code provision A.2.1, the role(s) of chairman and chief executive should be separate and should not be performed by the same individual. As the duties of chairman and chief executive of the Company are performed by Mr. Lin Wan Tsang, the Company has deviated from the CG Code. The Board believes that it is necessary to vest the roles of chairman and chief executive in the same person due to its unique role, Mr. Lin's experience and established market reputation in the industry, and the importance of Mr. Lin in the strategic development of the Company. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with the members of the Board, and there are four independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiries have been made with all the Directors and they have confirmed that they have complied with the Model Code throughout the Reporting Period.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not segregate the roles of Chairman and Chief Executive Officer and Mr. Li Wan Tsang currently holds both positions, as explained in the paragraph headed "Corporate Governance Practices" in the Corporate Governance Report.

NON-EXECUTIVE DIRECTOR

The non-executive Director is expected to participate in the activities of the Board, particularly in the establishment of a selection process to ensure a mix of competent directors and officers; adoption of a system of internal checks and balances; scrutiny of the Company's performance in achieving agreed corporate goals and objectives; and ensuring that the exercise of Board authority is within the powers conferred to the Board under the memorandum and articles of association of the Company (the "Articles") and applicable laws, rules and regulations.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance, legal and business. Their skills, expertise and number in the Board ensure that strong independent views and judgment are brought in the Board's deliberations and that such views and judgment carry weight in the Board's decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of shareholders of the Company and the Company.

Each independent non-executive Director gives the Company an annual confirmation of his independence. The Company considers such Directors to be independent under the guidelines set out in Rule 3.13 of the Listing Rules.

THE BOARD

Directors' Responsibility in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 38 to 39.

Function of the Board

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board shall take decisions objectively in the interests of the Company.

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective operation. All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

Board Composition

Currently, the Board comprises five executive Directors, one non-executive Director and four independent non-executive Directors. The Company has complied with rules 3.10 and 3.10A of the Listing Rules. During the Reporting Period, the number of independent non-executive Directors represents more than one-third of the Board. As such, there exists a strong independent element in the Board, which can effectively exercise independent judgment.

The Board comprises the following Directors:

Executive Directors
Mr. Lin Wan Tsang *(Chairman)*
Mr. Chamlong Wachakorn
Mr. Dong Jiangxiong (appointed on 31 March 2016)
Ms. Ko Sau Mee
Mr. Lin Hing Lung (appointed on 31 March 2016)

Non-executive Director
Mr. Kwok Tak Wang

Independent non-executive Directors
Mr. Chung Yi To
Ms. Guo Yang
Mr. Leung Man Fai
Dr. Lin Tat Pang

The brief biographic details of and relationship between the existing Directors are set out in the paragraph headed "Biographical Details of Directors and Senior Management" on pages 19 to 22. Ms. Ko Sau Mee is the spouse and Mr. Lin Hing Lung is the son of Mr. Lin Wan Tsang. Save as disclosed above, there are no other relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board.

Appointment, Re-Election and Removal of Directors

All Directors are appointed for a specific term. Each of the executive Directors, non-executive Director and independent non-executive Directors (other than Mr. Chung Yi To, Mr. Dong Jiangxiong and Mr. Lin Hing Lung) of the Company is under a service contract with the Company commencing from 20 June 2013, Mr. Chung Yi To has entered into a service contract with the Company on 24 June 2013 and Mr. Dong Jiangxiong and Mr. Lin Hing Lung have entered into a service contract with the Company on 31 March 2016.

The Company has adopted "Directors Nomination Procedures" as written guidelines in providing formal, considered and transparent procedures to the Board for evaluating and selecting candidates for directorships. An external recruitment agency may be engaged to carry out the recruitment and selection process as necessary. Besides, the procedures and process of appointment, re-election and removal of directors are laid down in the Articles. According to the Articles, all Directors are subject to retirement by rotation at least once every three years and are eligible for re-election at the Company's annual general meeting ("AGM"). Any new director appointed by the Board to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment and any new director appointed by the Board as an addition to the Board shall submit himself/herself for re-election by shareholders at the next AGM.

In accordance with the Articles, Mr. Lin Wan Tsang, Mr. Dong Jiangxiong, Mr. Lin Hing Lung, Mr. Leung Man Fai and Dr. Lin Tat Pang shall retire and, being eligible, offer themselves for re-election at the forthcoming 2016 AGM. The Board and the Nomination Committee recommend their re-appointment. The Company's circular, sent together with this annual report, contains detailed information of the above five Directors as required by the Listing Rules.

Directors' Training

All Directors confirmed that they had complied with CG Code provision A.6.5 during the Reporting Period, all Directors had participated in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy. The Company seeks to achieve board diversity through the consideration of a number of factors in the Board members' selection process, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

During the Reporting Period, the Company has a solid slate of Directors with diverse perspectives and varied educational background and expertise made-up, from extensive knowledge of the manufacturing industry, experience in international trade, finance and corporate management, to professional qualifications in the legal and accounting fields. Each Director had accumulated experience in his/her respective field of expertise, all of whom are anchored by the common trait of having a natural aptitude and singular drive for the industry so as to bring sustainable growth to the Company.

Board Meeting and Procedures

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit and may determine the quorum necessary for the transaction of business. An AGM and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 days' notice in writing, and a meeting of the Company other than an AGM or an extraordinary general meeting for the passing of a special resolution shall be called by at least 14 days' notice in writing. A meeting of the Board or any committee of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting.

When a Director and the enterprise(s) involved in a proposal of a Board meeting have connected relations, such Director shall not exercise his/her voting rights on such proposal nor shall he/she exercise any voting rights on behalf of other Directors.

Corporate Governance Report

Set out below are details of the attendance record of each Director at the Board and committee meetings of the Company held during the Reporting Period:

	Attendance/Number of Meetings Held				
Name of Directors	Regular Board Meeting	Audit Committee Meeting	Nomination Committee	Remuneration Committee	Risk Management Committee
Executive Directors					
Mr. Lin Wan Tsang	* 14/18	–	1/1	1/1	–
Mr. Chamlong Wachakorn	18/18	–	–	–	–
Mr. Dong Jiangxiong**	N/A	N/A	N/A	N/A	N/A
Ms. Ko Sau Mee	14/18	–	–	–	–
Mr. Lin Hing Lung**	N/A	N/A	N/A	N/A	N/A
Non-executive Director					
Mr. Kwok Tak Wang	18/18	–	1/1	1/1	8/12
Independent non-executive Directors					
Ms. Guo Yang	18/18	2/2	1/1	1/1	–
Mr. Chung Yi To	16/18	2/2	1/1	1/1	* 12/12
Mr. Leung Man Fai	18/18	* 2/2	1/1	* 1/1	12/12
Dr. Lin Tat Pang	18/18	2/2	* 1/1	1/1	12/12

Remark:

** representing chairman of the board or the committees*

*** Mr. Dong Jiangxiong and Mr. Lin Hing Lung were appointed as Executive Directors after the Reporting Period.*

The Board has established four committees, namely, the audit committee ("Audit Committee"), the remuneration committee ("Remuneration Committee"), the nomination committee ("Nomination Committee") and the risk management committee ("Risk Management Committee"), for overseeing particular aspects of the Company's affairs. All committees have been established with defined written terms of reference, which were posted on the Stock Exchange (www.hkex.com.hk) and the Company website (www.6898hk.com). All committees should report to the Board on their decisions or recommendations made.

All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Audit Committee was established on 20 June 2013 with terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, reviewing the financial statements and related materials and providing advice in respect of the financial reporting process, and overseeing the internal control procedures of the Group. The Audit Committee comprises four members, all being independent non-executive Directors, namely, Mr. Leung Man Fai (Chairman), Dr. Lin Tat Pang, Mr. Chung Yi To and Ms. Guo Yang. The Group's accounting principles and practices, financial statements and related materials for the period had been reviewed by the Committee.

During the Reporting Period, the Audit Committee has held two meetings for discussion on issues arising from the audit and financial reporting matters.

Full minutes of the Audit Committee meetings are kept by the company secretary. Draft and final versions of the minutes of the Audit Committee meetings are sent to all members of the Audit Committee for comments and approval and all decisions of the Audit Committee are reported to the Board subject to applicable restriction.

The terms of reference of the Audit Committee are available on the website of the Company and the website of the Stock Exchange.

The external auditors were invited to attend the Audit Committee meetings held during the year to discuss with the Audit Committee members on issues arising from the audit and financial reporting matters. The Chairman of the Audit Committee provided the Board with a briefing on the significant issues after each Audit Committee meeting. There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors.

Nomination Committee

The Board would follow a set of formal, considered and transparent procedures for the appointment of new directors to the Board. The appointment of a new director has been a collective decision of the Board, taking into consideration the candidate's qualification, expertise, experience, integrity and commitment to his/her responsibilities within the Group. In addition, all candidates to be selected and appointed as a director must be able to meet the standards set out in Rules 3.08 and 3.09 of the Listing Rules.

The Nomination Committee was established on 20 June 2013, with specific written terms of reference in compliance with the CG Code for reviewing the Board composition, developing the relevant procedures for nomination and appointment of Directors and assessing the independence of the independent non-executive Directors to ensure that the Board has a balance of expertise, skills and experience and formulating succession plans for executive directors and senior executives. The Nomination Committee comprises a total of six members, being one executive Director, namely, Mr. Lin Wan Tsang, one non-executive Director, namely, Mr. Kwok Tak Wang, and four independent non-executive Directors, namely, Dr. Lin Tat Pang (Chairman), Mr. Chung Yi To, Mr. Leung Man Fai and Ms. Guo Yang. Accordingly, a majority of the members are independent non-executive Directors.

During the Reporting Period, the Nomination Committee has held one meeting. Full minutes of the Nomination Committee meetings are kept by the company secretary. Draft and final versions of the minutes of the Nomination Committee meetings are sent to all members of the Nomination Committee for comments and approval and all decisions of the Nomination Committee are reported to the Board subject to applicable restriction.

The terms of reference of the Nomination Committee are available on the website of the Company and the website of the Stock Exchange.

Remuneration Committee

The Remuneration Committee was established on 20 June 2013, with specific written terms of reference for making recommendations to the Board regarding the Group's policy and structure for all remuneration of Directors and senior management and approving the remuneration package of the individual executive Directors, the specific duties set out in CG Code provision B.1.29(a) to (h). The Remuneration Committee comprises a total of six members, being one executive Director, namely, Mr. Lin Wan Tsang, one non-executive Director, namely, Mr. Kwok Tak Wang, and four independent non-executive Directors, namely, Mr. Leung Man Fai (Chairman), Dr. Lin Tat Pang, Mr. Chung Yi To and Ms. Guo Yang. Accordingly, a majority of the members are independent non-executive Directors.

During the Reporting Period, the Remuneration Committee has held one meeting to review and discuss the remuneration policy of the Group and the remuneration packages of the Directors.

Full minutes of the Remuneration Committee meeting are kept by the company secretary. Draft and final versions of the minutes of the Remuneration Committee meetings are sent to all members of the Remuneration Committee for comments and approval and all decisions of the Remuneration Committee are reported to the Board subject to applicable restriction.

The terms of reference of the Remuneration Committee are available on the website of the Company and the website of the Stock Exchange.

Risk Management Committee

The Risk Management Committee was established on 24 June 2013, with specific written terms of reference for reviewing and approving the hedging policies as formulated by the hedging team of the Company ("Hedging Team") and report to the Board as to whether the hedging policies have been duly following by the Hedging Team. The Risk Management Committee is authorized to separate and independent direct access to and complete and open communication with the Group's management to allow them to fulfill their duties. The Risk Management Committee comprises a total of four members, being one non-executive Director, namely, Mr. Kwok Tak Wang, and three independent non-executive Directors, namely, Mr. Chung Yi To (Chairman), Mr. Leung Man Fai and Dr. Lin Tat Pang. Accordingly, a majority of the members are independent non-executive Directors.

During the Reporting Period, the Risk Management Committee has held twelve meetings to review and approved the hedging policies have been duly following by the Hedging Team and report to the Board.

Full minutes of the Risk Management Committee meeting are kept by the company secretary. Draft and final versions of the minutes of the Risk Management Committee meetings are sent to all members of the Risk Management Committee for comments and approval and all decisions of the Risk Management Committee are reported to the Board subject to applicable restriction.

The terms of reference of the Risk Management Committee are available on the website of the Company and the website of the Stock Exchange.

CORPORATE GOVERNANCE FUNCTION

The Board does not have a Corporate Governance Committee. The functions that would be carried out by a Corporate Governance Committee are performed by the Board as a whole and are as follows:

1. to develop and review the Company's policies and practices on corporate governance;

2. to review and monitor the training and continuous professional development of directors and senior management;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The corporate governance policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices and transparency and accountability to all shareholders of the Company. The Board strives to comply with the code provisions and reviews its corporate governance policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of our operations with applicable laws and regulations.

EXTERNAL AUDITOR'S REMUNERATION

The Company engaged Ernst & Young as its external auditor for the Reporting Period. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

During the Reporting Period, the fee payable to Ernst & Young in respect of its statutory audit services provided to the Company was HK$2.4 million (2014: HK$3.9 million).

INTERNAL CONTROL

During the Reporting Period under review, Ernst & Yong has been appointed as the Company's internal auditor for the purpose of reviewing the effectiveness of the Company's material internal controls. On-going assessment on internal control have been conducted by Ernst & Yong periodically to determine the Company's risk management, control and governance practices as designed and represented by management. The management of the Company will communicate with the independent internal auditor regularly for all findings and recommendations, appropriate changes will be made to respond to the circumstances. The internal control system is designed to provide reasonable, not absolute, assurance that the business objectives of the Company will be met and to manage the Company's risks within an acceptable risk profile. Internal control plays an important role in the prevention and detection of fraud or material misstatement of management for reliable management and financial information and records. Internal audits are implemented to provide the Board with reasonable assurance that the processes of the Company operate as designed and the internal control systems of the Group are sound and effective

DELEGATION BY THE BOARD

In general, the Board oversees the Company's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group's strategic objectives. The Board delegates the implementation of strategies and day-to-day operation of the Group to the management.

COMPANY SECRETARY

Mr. Lam Chi Ming, the company secretary appointed by the Board and an employee of the Company, in the opinion of the Board, possesses the necessary qualification and experience, and is capable of performing of the functions of the company secretary. During the Reporting Period, Mr. Lam has taken 15 hours of professional training. The Company will provide fund for Mr. Lam to take not less than 15 hours of appropriate professional training in each financial year as required under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting.

Shareholders to Convene an Extraordinary General Meeting

Pursuant to article 64 of the Articles, extraordinary general meetings shall be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisition(s) himself (themselves) may do so in the same manner.

Putting Enquiries by Shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the company secretary at the Company's principal place of business in Hong Kong.

Procedures for Putting Forward Proposals by Shareholders at Shareholders' Meetings

Shareholders of the Company are requested to follow article 64 of the Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Shareholders to convene an extraordinary general meeting".

Pursuant to article 113 of the Articles, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office of the Company or at the Hong Kong branch share registrar and transfer office of the Company no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

The procedures for shareholders of the Company to propose a person for election as a Director is posted on the website of the Company. Shareholders or the Company may refer to the above procedures for putting forward any other proposals at general meetings.

Voting by Poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions to be set out in the notice of AGM will be voted by poll.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders. Information of the Company is disseminated to the shareholders in the following manner:

- Delivery of annual and interim results and reports to all shareholders;
- Publication of announcements on the annual and interim results on the Stock Exchange website, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- The general meeting of the Company is also an effective communication channel between the Board and shareholders.

Constitutional Documents

There was no significant change in the constitutional documents of the Company during the Reporting Period.

Biographical Details of Directors and Senior Management

Biographies of Directors and senior management team are set out below:

EXECUTIVE DIRECTORS

Mr. Lin Wan Tsang (連運增), aged 50, was appointed as the chairman and executive Director on 20 June 2013. Mr. Lin is the founder and general manager of our Group. He is responsible for formulating our corporate strategies and overseeing the overall business of our Group. Mr. Lin has over 21 years of experience in the aluminum packaging industry and has extensive experience in the aerosol manufacturing industry. Mr. Lin started his business in the production of aluminum aerosol cans when he established Chaoyang City Euro Asia Aluminum Cans Industrial Company Limited* (潮陽市歐亞鋁罐工業有限公司) in 1995. Leveraging upon his experience and business connection in the aluminum packaging industry for aerosols, he further expanded his business into the aerosol manufacturing and aerosol filling industries through the establishment of Guangzhou Botny Chemical Co., Ltd. (廣州保賜利化工有限公司) ("Botny Chemical") in 2000 and Euro Asia Aerosol and Household Products Manufacture Co., Ltd. (廣州歐亞氣霧劑與日化用品製造有限公司) ("Euro Asia Aerosol") in 2006.

Mr. Lin is currently the vice-president of Guangdong Provincial Association of Standardization* (廣東省標準化協會), a standing member of China Packaging Federation (中國包裝聯合會) ("CPF") and the All-China Environment Federation* (中華環保聯合會), and a visiting professor of Zhongshan Torch Polytechnic (中山火炬職業技術學院).

Mr. Lin was appointed as a member of the Conghua City Chinese People's Political Consultative Conference National Committee* (從化市政協委員會) in 2011, vice-principal of the Metal Containers Committee (金屬容器委員會) of CPF for the period from 2011 to 2016, vice-president of Zhongshan City Printing and Packaging Association* (中山市印刷包裝行業協會) for the period from 2011 to 2014, and the deputy director of the Aerosol Packaging Committee (氣霧劑專業委員會) of CPF for the period from 2008 to 2013. He was awarded as honorary citizen of Conghua City, Guangdong Province in 2010.

Mr. Chamlong Wachakorn (陳景輝), aged 72, was appointed as the executive Director on 20 June 2013 and is executive Director of Euro Asia Packaging since June 2012, an indirect wholly owned subsidiary of the Company. He is responsible for the formulation and development of business strategies for our Group.

He has been the vice-president of Guangzhou Conghua City Resident Enterprises Association* (廣州從化市民營企業協會), vice-president of the 4th session of the Jiangpo Sub-council of the Conghua City Federation of Commerce and Industry* (從化市工商業聯合會江埔分會第四屆商會), vice-president of the 14th session of the executive committee of the General Chamber of Commerce of Conghua City* (從化市總商會十四屆執行委員會), vice-president of the Conghua City Sub-council of the China Council for the Promotion of International Trade* (中國國際貿易促進委員會從化市支會), vice-president of China Chamber of International Commerce Conghua Chamber of Commerce* (中國國際商會從化商會) and a member of the Conghua City Chinese People's Political Consultative Conference National Committee* (從化市政協委員會).

Mr. Dong Jiangxiong (董江雄), aged 64, was appointed as the executive Director on 31 March 2016. Mr. Dong obtained his Bachelor's degree in recision Instrument from Tsinghua University* (清華大學). He obtained the Qualification of Patent Attorney* (專利代理人) in 1985 and the Lawyer's License* in the PRC in 1988. He has over 30 years of experience in advising on intellectual properties matters such as patents, trademarks and copyrights. Mr. Dong has extensive experience in advising corporations in the PRC and overseas on intellectual properties matters.

Ms. Ko Sau Mee (高秀媚), aged 49, was appointed as the executive Director on 20 June 2013. Ms. Ko is the founder and she is responsible for formulating corporate strategies and overseeing the overall business of our Group. Ms. Ko has over 13 years of experience in the aluminum packaging industry. She together with Mr. Lin established Euro Asia Packaging (Guangdong) Co., Ltd. ("Euro Asia Packaging") in 2002 to engage in the manufacture and sale of aluminum aerosol cans and Botny Chemical in 2000 to engage in the production and sale of aerosol.

Mr. Lin Hing Lung, Alex (連興隆), aged 22, was appointed as the executive Director on 31 March 2016. He is the son of Mr. Lin Wan Tsang and Ms. Ko Sau Mee, executive Directors and the controlling shareholder of the Company. Mr. Alex Lin joined the Group in August 2014 and is the Head of China National Sales Team. In 2014, he obtained his Bachelor's degree in Marketing and Management in University of Newcastle, United Kingdom. Mr. Alex Lin is the executive member of the China Aerosol Packaging Federation and vice-chairman of the Chinese Car Care Products Magazine since 2015. He has experience in market development in the PRC and overseas market.

NON-EXECUTIVE DIRECTOR

Mr. Kwok Tak Wang (郭德宏), aged 52, was appointed as a non-executive Director on 20 June 2013 and was a director of Euro Asia Packaging from July 2008 to October 2011 and from October 2012 to January 2013 an indirect wholly owned subsidiary of the Company. Mr. Kwok obtained a Master's degree in Business Administration from University of Chicago in 1997 and obtained a Master's degree in Computer Engineering from University of Southern California in 1992. He graduated from University of Wisconsin-Madison with a Bachelor's degree in Electrical Engineering in 1990.

Mr. Kwok is experienced in financial management and investment. Prior to joining our Group, he served as the managing director in JRE Asia Capital (Hong Kong) Limited from 2010 to 2012. He also served as the managing director in Credit Suisse Capital Advisors (Hong Kong) Limited from 2008 to 2010.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Lin Tat Pang (連達鵬), aged 59, was appointed as an independent non-executive Director on 20 June 2013. Dr. Lin obtained his Doctor of Law, Master of Law and Bachelor of Law from Peking University* (北京大學) in 2009, 1998 and 1992 respectively. He also completed his Postgraduate Certificate in Hong Kong Law in City University of Hong Kong (previously known as City Polytechnic of Hong Kong) in 1993. Dr. Lin is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Chartered Association of Certified Accountants, United Kingdom. He is also a member of the Chartered Institute of Arbitrators, United Kingdom.

Dr. Lin has over 30 years of experience in accounting, finance and public offerings. He worked for Hong Kong Exchanges and Clearing Limited and the Stock Exchange between 1992 and March 2013, and his last position was senior consultant to the Listing, Listing & Regulatory Affairs Division of Hong Kong Exchanges and Clearing Limited. He is currently a partner of JFU Consultants (Hong Kong) Limited.

Dr. Lin does not have any relationship with any directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Group.

Mr. Chung Yi To (鍾詒杜), aged 49, was appointed as an independent non-executive Director on 24 June 2013. He has over 20 years of experience in finance, particularly in the derivatives, futures and commodities sectors. Mr. Chung worked as an assistant manager of the China Offshore Interest Rate Derivatives department in Tullett Prebon (Hong Kong) Limited, a financial services firm, from October 2012 to April 2013. Between November 2006 and November 2011, he served as the senior vice president of foreign exchange and listed derivatives sales in MF Global Holdings HK Limited, where he managed a team that provided 24-hour coverage in global listed futures such as fixed income and commodities in the energy and metal markets. He was the licensed responsible officer under the SFO for MF Global Hong Kong Limited in respect of Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities for the period from April 2007 to November 2011; and Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities for the period from July 2011 to November 2011. For the purpose of full disclosure under Rule 13.51(2) of the Listing Rules, MF Global Holdings HK Limited was ordered to conduct a creditors' voluntary liquidation pursuant to the court order dated 4 October 2012. The liquidation of MF Global Holdings HK Limited was, in any circumstances, not caused by or related to Mr. Chung.

During July 2005 to November 2006, Mr. Chung worked for Credit Suisse (Hong Kong) Limited, and his last position was the vice president of the fixed income division. From May 2004 to July 2005, he worked for HSBC Futures, Singapore Pte Ltd, (Hong Kong branch) and was responsible for marketing commodities futures, and his last position was the associate director. From February 1998 to April 2004, he was employed by ABN AMRO Bank N.V. and his last position was the assistant vice president, sales of ABN AMRO Asia Futures Limited in ABN AMRO Clearing and Execution Services.

Mr. Chung does not have any relationship with any directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Group.

Mr. Leung Man Fai (梁文輝), aged 51, was appointed as an independent non-executive Director on 20 June 2013. Mr. Leung is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Leung received a Bachelor of Arts degree in Accountancy from the City University of Hong Kong in 1991.

Mr. Leung has over 20 years of experience in accounting and finance. He is currently the chief financial officer and the company secretary of Da Ming International Holdings Limited (stock code: 1090), a company listed on the Main Board. Before joining Da Ming International Holdings Limited, Mr. Leung served as the financial controller and the company secretary of a private company from October 2003 to October 2006. From January 1996 to January 2003, he served various roles including financial controller, company secretary and finance manager in several listed companies within ITC Corporation Limited (stock code: 372). He also worked as a senior accountant in Hopewell Holdings Limited (stock code: 54) from November 1992 to January 1996.

Mr. Leung does not have any relationship with any directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Group.

Ms. Guo Yang (郭楊), aged 54, was appointed as an independent non-executive Director on 20 June 2013. Ms. Guo completed a professional course in economics management from Correspondence College of Party School of Central Committee of the Communist Party of China* (中共中央黨校函授學院) in 2001 and a professional course in industrial enterprise management from Beijing Open University (北京廣播電視大學) in 1986.

Ms. Guo has over 20 years of experience in the packaging industry. She has been the deputy secretary-general of the Aerosol Packaging Committee (氣霧劑專業委員會) of CPF since July 2011. During the period from January 1988 to July 2011, she worked in the following positions in CPF: the principal staff member of the Secretariat, the vice-chairman of the Office of Finance, the minister and the vice-minister of the Industry Department, the secretary-general of the Aerosol Packaging Committee (氣霧劑專業委員會) and the Aseptic Packaging Committee (無菌包裝委員會) as well as the deputy secretary general of the Circular Economic Committee (循環經濟委員會). She also served as the manager of the Management Department of Concept Figure (Beijing) International Exhibition Company Limited* (觀圖(北京)國際展覽有限責任公司), the officer of the Federation of China Packaging Entrepreneurs* (中國包裝企業家聯合會).

Ms. Guo does not have any relationship with any directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Group.

SENIOR MANAGEMENT

Mr. Lee Kam Fai (李錦輝), aged 30, has been the chief financial officer of the Group since January 2016. Mr. Lee is responsible for the overall management of the Group's finance and accounting, taxation, treasury and investor relations. He graduated from The Hong Kong Polytechnic University with a bachelor's degree of business administration (Honors) in Accounting and Finance and is a member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience on the accounting and auditing profession. Prior to joining the Group, he worked as a financial controller in European Asia Industrial Limited and had extensive working experience in an international accounting firm.

Mr. Lam Chi Ming, Francis (林志明), aged 57, was appointed as our company secretary on 20 June 2013. Mr. Lam has over 20 years of experience in the field of financial and general management. Mr. Lam is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Lam obtained a Bachelor's degree of Arts in Economics and Social Studies from the University of Manchester in July 1982.

Prior to joining our Group, he was the general manager and director of Solartech International Holdings Limited (stock code: 1166) from April 2009 to December 2009, the financial controller of China Flavors and Fragrances Company Limited (stock code: 3318) from March 2004 to February 2009, the financial controller, qualified accountant, company secretary and authorized representative of Kinetana Hong Kong Herbal Pharmaceutical Limited from July 2001 to September 2002. Mr. Lam worked for Pam and Frank Industrial Co. Ltd (stock code: 0431, now renamed as Greater China Holdings Limited) between October 1991 and November 2000 and his last position was senior vice president and had extensive working experience in an international accounting firm.

Mr. Zuo Jie Hao (左結豪), aged 66, has joined our Group since June 2002. He is the deputy general manager and is responsible for the sales and marketing for the PRC and overseas market of our Group. Before he joined our Group, Mr. Zuo worked as the senior sales manager of Cebal Zhongshan Co. Ltd* (西博爾(中山)有限公司).

Mr. Zhang Yao Ping (章耀平), aged 45, has joined our Group since November 2009. He has been the assistant to the general manager and is responsible for overseeing the administration and human resources management of our Group. Mr. Zhang is qualified as a senior chemical engineer* (化工高級工程師). He obtained a Bachelor's degree in Chemical Safety Engineering from Wuhan Institute of Iron and Steel* (武漢鋼鐵學院) in July 1993.

Prior to joining our Group, Mr. Zhang served as a deputy general manager of Zhongshan Lok Ko Party Time Company Limited* (中山樂高派對用品有限公司) in March 2008. He also served as a deputy general manager from June 2007 to May 2008, executive deputy general manager from January 2006 to May 2007 and assistant to chairman from November 2005 to June 2006 of Xiangxue Pharmaceutical Co., Ltd. (廣州市香雪製藥股份有限公司), and deputy officer of the general manager's office from March 2002 to December 2005 and deputy chief engineer from September 1995 to March 2002 of Aestar Fine Chemical Inc. Ltd. (中山市凱達精細化工股份有限公司).

Mr. Zhang was the deputy secretary-general of the Aerosol Packaging Committee (氣霧劑專業委員會) of CPF from November 2002 to December 2010. He was also a member of the National Technical Committee on Packaging of Standardization Administration of China* (全國包裝標準化技術委員會) and Guangdong Provincial Technical Committee on Packaging of Standardization Administration of China* (廣東省包裝標準化技術委員會委員).

Environmental, Social and Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

The Board is pleased to release this environmental, social and governance report pursuant to the Environmental, Social and Governance Reporting Guide provided in Appendix 27 to the Listing Rules, which sets out the Company's policies and practices in four aspects, namely the workplace quality, environmental protection, working environment and community involvement for the Reporting Period. This report is designed to allow shareholders, investors (including potential investors) and the public to have a more comprehensive and profound understanding of the corporate governance and culture of the Company.

The Company is aware of the importance of having a reciprocal relationship with the society. The Board and management of the company are committed to establishing good standards in environmental, social and corporate governance practices. Apart from pursuing corporate profits, the Group also took into consideration the sustainable development of the environment, the society and corporate governance in all aspect of the business operation of the Group, so that those standards could be sustained.

Currently, Environmental, Social and Governance Committee is chaired by the Board. The Board will continue to formulate guidelines and spearhead initiatives that can be implemented in the whole group.

WORKPLACE QUALITY

Staff

The Group values staff and the contribution that they make. It has a set of human resources management policies and procedures in place with the aim to provide good working conditions, a safe and healthy workplace where employees are engaged and can do well in whatever they do. Those policies and procedures not only ensures the Group's compliance of the relevant labor laws and regulations in places where it operates, it also sets out the Group's standard of staff recruitment, promotion guidelines, remuneration scale, work hours, rest breaks, holidays as well as termination of employment and compensation matters and for prevention of child labor or forced labor. Labor contracts or employment agreements are entered into between the Group and the employees, which clearly states relevant details in order to safeguard mutual interest and benefits. There are staff induction course and continuing educational seminars, regular staff and departmental meetings, internal publications and bulletin board, intranet communication. Specific form of communication can also be made subject to the communication content and characteristics of participants. The Group formulates human resources plan in accordance with its development plan and strategic goals and review regularly. Apart from making external recruitment plan for continuous injection of fresh blood to the Company, the Group forms internal staff training and talent reserve plan, establishes all-level position selection and evaluation system to optimize human resources allocation and internal promotion and nurtures prospective employees to be future leaders in their respective areas.

Working environment

The Group is committed to providing a safe working environment for all of the staff. The Group are subject to the relevant PRC laws and regulations regarding production safety, including the principle law governing the administration of production safety in the PRC, namely the PRC Production Safety Law (中華人民共和國安全生產法) which took effect on 1 November 2002. In order to ensure occupational safety and health of our employees in the process of production, the Group has adopted various measures such as the provision of periodic self-rescue training courses and hazard drills to employees, installation of first-aid equipment in the production sites and provision of protective equipment. The Group has also undertaken accidental insurance policies for the employees.

Employee training and development

In order to enable staff to keep abreast of the aluminum cans and aerosol products industry and maintain high-quality organization structure, the Company offers various training programs, and earmarks funds for staff training each year. In additional, The Group has established a comprehensive training system and mechanism to provide on-job teaching and training for its employees with a view to enhancing skills and management capabilities of the staff to offer smooth promotion channels. Based on analysis of the development needs of the Company, the management through various methods such as internal aptitude tests, on-job training and examinations and seniors' recommendations, always keeps ongoing selection of outstanding candidates for priority training. During the year of 2015, the Group provided extensive internal and external training to its employees.

Labour standards

All of the employees of the Group were treated equally. Their employment, remuneration and promotion consideration will be not affected by their social identities such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status.

The majority of the employees of the Group were located in the PRC. The Company strictly complies with the requirements of The Labour Law and The Labour Contract Law of the PRC without violating the relevant rules and regulations including the workers' wages, overtime payments and related benefits are made with reference to the local minimum wage, and holidays and statutory paid leaves are in compliant with the requirements in the PRC.

ENVIRONMENTAL POLICY

The Company pledges to uphold quality management and implement policies for conserving resources and managing waste. The Company has established the following policies in compliance with environmental regulations:

1. The Company implemented internal procedures to prevent and manage pollution.

2. The Company commits to fulfill and comply with national and regional environmental protection regulations and establishes self-regulating frameworks and standards accordingly.

The Group conduct regular testing in relation to air, noise and waste water emitted or produced to ensure that our pollution levels are within the allowed levels as stipulated in the relevant PRC laws and regulations.

ANTI-CORRUPTION

The Company is committed to prevent and monitor any malpractice or unethical actions. The Group has established stringent policies for anti-corruption and anti-fraud, which were communicated to the employees and providing them a whistle blowing channel for reporting any suspected misappropriate actions to the Board.

COMMUNITY INVOLVEMENT

The Company is committed to contribute to the society through involving in the development of the communities. The management and the employees of the Group participated in assisting and supporting the local communities.

Directors' Report

The Directors are pleased to present to the Shareholders this annual report and the audited consolidated financial statements for the Reporting Period.

GROUP REORGANIZATION

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 12 September 2012. On 15 March 2013, the Company became the holding company of the current subsidiary companies within the Group, which had undergone reorganization to rationalize its structure in preparation for the listing of the shares on the Stock Exchange. On 12 July 2013, the shares of the Company were listed on the Main Board of the Stock Exchange.

During the Reporting Period, there was no group reorganization.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 1 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the Reporting Period is set out in the section headed "Management and Discussion and Analysis" on page 5 of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 40 to 112.

The Board have recommended a final dividend of HK2.2 cents per share for the Reporting Period (2014: HK2.2 cents per share) which will be subject to the approval of the Company's Shareholders at the forthcoming AGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 May 2016 to 26 May 2016, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 20 May 2016.

The register of members of the Company will be closed from 6 June 2016 to 8 June 2016, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on 3 June 2016.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on pages 111 to 112 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

Directors' Report

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 30 to the consolidated financial statements.

FUND RAISING ACTIVITIES

During the Reporting Period, the Group had conducted two placings which details are summarised as below:

(i) On 12 May 2015, the Company issued 49,800,000 new Shares of HK$0.01 each to not less than six independent third parties at a price of HK$2.41 per Share under the specific mandate granted to the Directors at the extraordinary general meeting of the Company held on 22 April 2015. The net proceeds of approximately HK$112.6 million were intended to be used for the Group to pay in and towards the satisfaction of the payment obligations for the Acquisition. As at the date of this report, the entire amount had been utilised as intended.

(ii) On 8 June 2015, Wellmass, a controlling shareholder of the Company, and the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent agreed, on a best efforts basis, to procure not fewer than six placees to purchase, and Wellmass agreed to sell, up to 80,000,000 existing Shares at a price of HK$2.28 per Share. On 9 June 2015, an aggregate of 41,174,000 Shares were successfully placed to not less than six placees, who and whose ultimate beneficial owners are independent third parties of the Company, at the placing price of HK$2.28 per placing share. On 16 June 2015, 41,174,000 Shares were issued and allotted to Wellmass at a subscription price of HK$2.28 each. The net proceeds from the subscription amounted to approximately HK$90.2 million (representing a net price of approximately HK$2.19 per subscription Share) and were intended to be used for the general working capital and/or to finance potential investment projects of the Group. As at the date of this report, the entire amount had been utilised as intended.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the Reporting Period.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the shareholders by reason of their holding of the Company's securities.

RESERVES

The movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2015, the Company's reserve available for distribution to owners was approximately HK$394.7 million (2014 (restated): HK$72.2 million). This includes the Company's share premium and is available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

MAJOR SUPPLIERS AND CUSTOMERS

For the Reporting Period, purchases from the single largest supplier of the Group and the five largest suppliers of the Group in aggregate accounted for approximately 14.1% (2014 (restated): 12.4%) and 34.0% (2014 (restated): 32.1%) of the Group's total purchases respectively.

For the Reporting Period, sales to the single largest customer of the Group and the five largest customers of the Group in aggregate accounted for approximately 3.3% (2014 (restated): 3.5%) and 14.1% (2014 (restated): 14.7%) of the Group's total turnover respectively.

At all-time during the Reporting Period, none of the Directors or any of their associates or any shareholders of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital had an interest in any of the five largest suppliers or customers.

DIRECTORS

The Directors in office at the date of this report are:

Executive Directors

Mr. Lin Wan Tsang *(Chairman)*
Mr. Chamlong Wachakorn
Mr. Dong Jiangxiong (appointed on 31 March 2016)
Ms. Ko Sau Mee
Mr. Lin Hing Lung (appointed on 31 March 2016)

Non-executive Director

Mr. Kwok Tak Wang

Independent non-executive Directors

Mr. Chung Yi To
Ms. Guo Yang
Mr. Leung Man Fai
Dr. Lin Tat Pang

Mr. Lin Wan Tsang, Mr. Dong Jiangxiong, Mr. Lin Hing Lung, Mr. Leung Man Fai and Dr. Lin Tat Pang will retire in accordance with article 108(a) of the Articles at the Company's forthcoming AGM and being eligible, offer themselves for re-election.

Every Director shall retire from office once every three years and for this purpose, at each AGM one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) but not less than one-third (1/3) shall retire from office by rotation. The Directors to retire in every year will be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Subject to the Articles, a retiring Director shall be eligible for re-election at the meeting at which he retires. For avoidance of doubt, each Director shall retire at least once every three (3) years.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and the senior management of the Group are set out on pages 19 to 22 of this Annual Report.

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors has respectively entered into a service contract with the Company for a term of three years commencing from (i)12 July 2013 (the "Listing Date") (in relation to the contract with Mr. Lin Wan Tsang, Mr. Chamlong Wachakorn and Ms. Ko Sau Mee); and (ii) the date of respective contracts (in relation to the contracts with Mr. Dong Jiangxiong and Mr. Lin Hing Lung) unless terminated by not less than three months' notice in writing served by either party on the other.

Each of the non-executive Director and the independent non-executive Director has entered into a service contract with the Company for a term of two years commencing from (i) the Listing Date (in relation to the contract with the non-executive Director); and (ii) the date of the respective contracts (in relation to the contracts with the independent non-executive Directors) unless terminated by not less than one month's notice in writing served by either party on the other.

Other than disclosed above, none of the Directors of the Company 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.

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

As at 31 December 2015, interests or short positions in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

(i) Long position in shares and underlying shares of the shares options granted under the Pre-IPO Share Option Scheme of the Company

Name of Directors	Number of Ordinary Shares Beneficial owner	 Interest of family	 Interests in a controlled corporation	Interests in underlying shares Share options (Note 1)	Total	Approximate percentage of the total issued share capital of the Company (Note 2)
Mr. Lin Wan Tsang ("Mr. Lin")	100,000,000	–	268,000,000 (Note 4)	–	368,000,000	58.96%
Ms. Ko Sau Mee ("Mrs. Lin") (Note 3)	–	100,000,000	268,000,000 (Note 4)	–	368,000,000	58.96%
Mr. Chamlong Wachakorn	1,050,000	–	–	2,450,000	3,500,000	0.56%
Mr. Kwok Tak Wang	600,000	–	–	1,400,000	2,000,000	0.32%

Notes:

(1) These represents the awarded shares granted to the Directors under the Pre-IPO Share Option Scheme. Details of the Pre-IPO Share Option Scheme have been disclosed in the above section headed "Pre-IPO Share Option Scheme".

(2) These percentages have been complied based on the total number of issued shares (i.e. 624,143,000 shares) as at 31 December 2015.

(3) The interest is held by Mr. Lin, as Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the shares held by Mr. Lin by virtue of the SFO.

(4) These shares are held by Wellmass , which is wholly and beneficially owned by Mr. Lin. As Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the shares held by Mr. Lin (through Wellmass) by virtue of the SFO.

(ii) Long positions in the underlying shares of the convertible note of the Company:

Name of the holder of the convertible bonds	Principal amount of the convertible bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (Note 1)
Mr. Lin (Note 2)	641,760,000	594,222,222	95.21%

Notes:

1. These percentages have been complied based on the total number of issued shares (i.e. 624,143,000 shares) as at 31 December 2015.

2. These convertible bonds were issued by the Company on 8 July 2015 as part of the consideration to the Acquisition. They are unlisted, interest-free and convertible into the shares of the Company at the conversion price of HK$1.08 per share of the Company. The interest is held by Mr. Lin, as Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the shares held by Mr. Lin by virtue of the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective associates had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at 31 December 2015, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code .

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

As at 31 December 2015, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(i) Long Position in the Shares

Name of shareholders	Capacity/Nature of interests	Number of Shares held	Approximate percentage of issued share capital of interests in the Company (Note 1)
Mr. Lin (Note 2)	Beneficial owner	100,000,000	58.96%
	Interests of a controlled corporation	268,000,000	
Wellmass (Note 3)	Beneficial owner	268,000,000	42.94%

Notes:

(1) These percentages have been complied based on the total number of issued shares (i.e. 624,143,000 shares) as at as at 31 December 2015.

(2) The interest is held by Mr. Lin, as Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the shares held by Mr. Lin by virtue of the SFO.

(3) Wellmass is a company incorporated in the BVI, and is solely and beneficially owned by Mr. Lin, the chairman of the Company and an executive Director. Mrs. Lin is the spouse of Mr. Lin and is therefore deemed to be interested in all the Shares held by Mr. Lin (through Wellmass) by virtue of the SFO.

(ii) Long positions in the underlying shares of the convertible note of the Company:

Name of the holder of the convertible bonds	Principal amount of the convertible bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (Note 1)
Mr. Lin (Note 2)	645,000,000	597,222,222	95.68%

Notes:

1. These percentages have been complied based on the total number of issued shares (i.e. 624,143,000 shares) as at 31 December 2015.

2. The interest is held by Mr. Lin, as Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the shares held by Mr. Lin by virtue of the SFO.

Save as disclosed above, as at 31 December 2015, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in this report, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the Reporting Period or at any time during the Reporting Period.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of independence, and the Company considers that each of them to be independent and has met the guidelines set out in Rule 3.13 of the Listing Rules.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

As at 31 December 2015, the Directors were not aware of any business or interest of the Directors and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above and "Pre-IPO Share Option Scheme" below, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective associates nor was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective associates to acquire such rights in any other body corporate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors of the Company have confirmed that, following specific enquiry by the Company, they have compiled with the required standard set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CONVERTIBLE NOTE

Following the completion of the Acquisition on 20 May 2015, and in accordance with the terms of the relevant acquisition agreement, the Company has issued the convertible note with principal amount of HK$780.0 million (the "Convertible Note") to Mr. Lin on 8 July 2015. Mr. Lin, the holder of the Convertible Note has partially converted in the amount HK$108.0 million of the convertible note to 100,000,000 ordinary shares and transferred in the amount HK$30.2million of the Convertible Note to independent third parties. The total amount of outstanding Convertible Note held by Mr. Lin is HK$641.8 million as at the date of this report.

PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

The Company conditionally adopted a pre-IPO share option scheme on 20 June 2013 (the "Pre-IPO Share Option Scheme"), which became effective on 12 July 2013 and options in respect of 17,490,000 shares under the Pre-IPO Share Option Scheme had been granted on 21 June 2013. The Company also conditionally adopted a share option scheme on 20 June 2013 (the "Share Option Scheme"), which became effective on 12 July 2013 and no option had been granted by the Company up to the date of this report.

PRE-IPO SHARE OPTION SCHEME

The Group adopted the Pre-IPO Share Option Scheme on 20 June 2013 so as to recognize and motivate the contributions that certain executive and non-executive Directors, members of the senior management and other employees (the "Grantees") have made or may make to our Group.

Initially, options to subscribe for an aggregate of 17,490,000 Shares had been granted to certain executive and non-executive Directors, members of the senior management and other employees of our Group, representing approximately 2.8% of the total issued share capital of the Company as at the date of this annual report. No further options will be issued by the Company pursuant to the Pre-IPO Share Option Scheme. The exercise price per Share is HK$0.70, which is equivalent to 70% of the offering price per Share. All options granted under the Pre-IPO Share Option scheme on or before 20 June 2013 may be exercised in the following manner:

Exercise Period	Maximum percentage of options exercisable
Commencing on the first anniversary date of the Listing Date upon certain fulfillment of certain conditions and ending on the 10th anniversary date of the offer date (the "Expiration Date") (both dates inclusive)	30% of the total number of options granted to each of the Grantees
Commencing on the second anniversary date of the Listing Date upon certain fulfillment of certain conditions and ending on the Expiration Date (both dates inclusive)	30% of the total number of options granted to each of the Grantees
Commencing on the third anniversary date of the Listing Date upon certain fulfillment of certain conditions and ending on the Expiration Date (both dates inclusive)	40% of the total number of options granted to each of the Grantees

Each of the Grantees is required to pay HK$1.00 on acceptance of the options granted under the Pre-IPO Share Option Scheme.

Set out below is further information on the outstanding options granted under the Pre-IPO Share Option Scheme as at 31 December 2015:

	Number of share options					
Name of grantees	Outstanding as at 1 January 2015	Forfeited during the year	Exercised during the year	Outstanding as at 31 December 2015	Subscription price per Share HK$	Weighted average closing price of the Share before the details of which shares options were exercised HK$
Directors						
Chamlong Wachakorn	2,450,000	–	–	2,450,000	0.7	–
Kwok Tak Wang	1,400,000	–	–	1,400,000	0.7	–
Sub-total	3,850,000	–	–	3,850,000		
Senior Management						
Luo Yong Qiang	700,000	400,000	300,000	–	0.7	1.67
Lu Feng	700,000	400,000	300,000	–	0.7	1.67
He Wan Zhu	700,000	400,000	300,000	–	0.7	1.67
Xu Wei	700,000	–	300,000	400,000	0.7	1.67
Zuo Jie Hao	700,000	–	300,000	400,000	0.7	1.67
Zhang Yao Ping	800,000	–	400,000	400,000	0.7	1.67
Sub-total	4,300,000	1,200,000	1,900,000	1,200,000		
Others						
Employees	3,815,000	304,000	1,404,000	2,107,000	0.7	1.67
Total	11,965,000	1,504,000	3,304,000	7,157,000		

During the Reporting Period, there were 3,304,000 options granted under the Pre-IPO Share Option Scheme were exercised and there were six ceased to be employed by the Group as such 1,504,000 share options granted were lapsed.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 20 June 2013, which became effective on the Listing Date.

The Share Option Scheme is a share incentive scheme and is established to recognize and motivate the contributions that eligible participants (as defined in the Prospectus) have made or may make to the Group.

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 40,000,000 shares) unless approved by the shareholders of the Company.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption. No share option has been granted under the Share Option Scheme up to the date of this report.

CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 37 to the consolidated financial statements constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

For the Reporting Period, the Group entered into various transactions which constituted continuing connected transactions under Chapter 14A of the Listing Rules and are continuing after the Listing. All the continuing connected transactions during the Reporting Period that need to be disclosed herein are in compliance with the Listing Rules. The actual monetary value of the continuing connected transactions of the Group for the Reporting Period is set out below:

Connected Person	Nature of Transaction	Actual monetary value for the year ended 31 December 2015 HK$'000
1. Euro Asia Aerosol	Sales of aluminum products ("Transaction 1")	2,442 (until the completion of the Acquisition on 20 May 2015)
2. Euro Asia Aerosol	Sales of aluminum aerosol cans ("Transaction 2")	774 (until the commencement of Transaction 4)
3. European Asia Industrial Limited ("European Asia Industrial")	Sales of aluminum aerosol cans ("Transaction 3")	1,575 (until the commencement of Transaction 4)
4. Mr. Lin's Group	Sales of aluminum aerosol cans and car care services products to Mr. Lin's Group ("Transaction 4")	1,338 (commenced from 13 November 2015)
5. Mr. Lin	Operating lease rental expense charged by Mr. Lin ("Transaction 5")	96

Further information on transactions 1, 2, 3, 4 and 5 are provided as follows:

Transaction 1
Euro Asia Aerosol is a wholly-owned subsidiary of European Asia Industrial, which is in turn wholly owned by Mr. Lin, and is engaged in the content filling of aerosol cans.

The transaction represents the sales of products by the Topspan Group to Euro Asia Aerosol prior to the completion of the Acquisition on or before 20 May 2015. The selling price was determined with reference to the product types and specifications, sales volume and selling price offered to independent third parties.

Transaction 2
Euro Asia Aerosol is a wholly-owned subsidiary of European Asia Industrial, which is in turn wholly owned by Mr. Lin, and is engaged in the content filling of aerosol cans.

On 20 June 2013, Euro Asia Packaging, a non-wholly owned subsidiary of the Company, and Euro Asia Aerosol entered into a master agreement (the "Euro Asia Aerosol Agreement"), pursuant to which the Company had agreed to sell aluminum aerosol cans to Euro Asia Aerosol at a price to be determined from time to time with reference to the product types and specification, sales volume and selling price offered to independent third parties, commencing from the Listing Date to 31 December 2015, provided that either party may terminate the Euro Asia Aerosol Agreement by giving not less than three months' prior written notice to the other party.

The transaction amount excludes the transaction amount on the sales of products by Topspan Group in Transaction 1.

As set out in the announcement of the Company dated 13 November 2015, Euro Asia Aerosol and Euro Asia Packaging have entered into a termination agreement on 13 November 2015, pursuant to which, the parties agreed to terminate the Euro Asia Aerosol Agreement in relation to the supply of aluminum aerosol cans by Euro Asia Packaging.

Transaction 3
European Asia Industrial is wholly owned by Mr. Lin, and is engaged in the content filling of aerosol cans.

The transaction represents sales of products to European Asia Industrial by the Group. The selling price was determined with reference to the product types and specification, sales volume and selling price offered to independent third parties.

Transaction 4
Mr. Lin's Group is including, but not limited to, European Asia Industrial, Euro Asia Aerosol and China Motor Services Group.

On 13 November 2015, the Company and Mr. Lin entered into a new supply framework agreement whereby the Group shall supply to Mr. Lin's Group aluminum aerosol cans and car care service products from 13 November 2015 to 31 December 2017, which can be renewed after expiry on mutual agreement subject to compliance with the Listing Rules requirements.

As set out in the announcement of the Company dated 13 November 2015, the annual cap under the New Supply Framework Agreement for the two years ending 31 December 2016 and 2017 were HK$11,000,000 and HK$11,000,000 respectively.

The relevant percentage ratios under the Listing Rules for the annual cap are, on an annual basis, less than 5%. Accordingly, pursuant to Rule 14A.76(2) of the Listing Rules, the New Supply Framework Agreement is only subject to the reporting and announcement requirements but exempt from the independent shareholders ' approval requirements.

Transaction 5

On 31 December 2012, a lease agreement (the "Lease Agreement") was entered into between Mr. Lin (as landlord) and the Group (as tenant) in respect of the property situated at Unit G, 20/F, Golden Sun Centre, Nos. 59/67 Bonham Strand West, Hong Kong (the "Property").

The Property is leased for a term commencing on 1 January 2013 and ending on 31 December 2015 (both days inclusive) at a monthly rental of HK$8,000 (exclusive of rates, government rent, management fees and other utilities outgoings which are payable by the tenant) and payable in advance. Under the Lease Agreement, a deposit of HK$8,000 had been paid by the tenant to the landlord. The Property has a gross floor area of approximately 40.41 sq.m., and is currently used as the office to deal with bank remittances made by overseas customers for our export sales. The rental under the Lease Agreement was determined by making reference to the market rates of neighboring properties.

The Lease Agreement was renewed on 13 November 2015 for a fixed term of three years from 1 January 2016 to 31 December 2018 at a monthly rental of HK$10,000 (exclusive of rates, government rent, management fees and other utilities outgoings which are payable by the tenant).

As the relevant applicable percentage ratios with respect to the transactions contemplated under the Lease Agreement on an annual basis is less than 5% and the annual consideration is less than HK$1 million, the entering into of the Lease Agreement constitutes an exempt continuing connected transaction under Rule 14A.33 of the Listing Rules, and is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company's auditor was engaged to report on the non-exempt continuing connected transactions (the "Transactions") and has issued a letter to the Board setting out the confirmation required under Rule 14A.38 of the Listing Rules and a copy of which has been provided by the Company to the Stock Exchange.

All independent non-executive Directors of the Company had reviewed the Transactions and confirmed that the Transactions for the Reporting Period were entered into:

(i) in the ordinary and usual course of the Company's business;

(ii) on terms no less favourable to the Company than terms available from independent third parties; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Termination of continuing connected transactions during the Reporting Period

Following the completion of the Acquisition, the transaction between the subsidiaries of the Company and Botny Chemical did not constituted continuing connected transactions under Chapter 14A of the Listing Rules during the Reporting Period.

As set out in the announcement of the Company dated 13 November 2015, Botny Chemical and China Motor Services have entered into the Second Termination Agreement, pursuant to which, the parties agreed to terminate the Supply Agreement in relation to the supply of car care service products by Botny Chemical.

PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

FUTURE PROSPECT AND DEVELOPMENT

Our management believes 2016 will be a difficult year for the Group due to (i) the uncertainty in the global economic environment; (ii) the slowdown of growth in consumable products and domestic demands in high end personal care products in PRC; (iii) the estimated depreciation of RMB against USD; and (iv) the increasing competition from small-sized overseas aerosol can manufacturers.

In view of such difficult time, our management is of the view that by vertically integrating with the Topspan Group following the Acquisition, our Group will be able to capture downstream profit margins by gaining access to downstream distribution channels and enhance our revenue sources.

Whatever the market fluctuations may bring, our Group remains optimistic about the outlook of the worldwide and domestic aerosol can manufacturing industry. Our Group will focus on developing sustainable developing sustainable aerosol can manufacturing business while reinforcing its capabilities and strengths to provide our customers with stable, sustainable and more comprehensive service.

AUDITORS

Ernst & Young, the auditors of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the AGM to be held on 26 May 2016 to seek Shareholders' approval on the appointment of Ernst & Young as the Company's auditors until the conclusion of the next AGM and to authorize the Board to fix their remuneration.

By order of the Board
Lin Wan Tsang
Chairman

Hong Kong, 31 March 2016

Independent Auditors' Report

EY 安永

Building a better working world

To the members of China Aluminum Cans Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Aluminum Cans Holdings Limited (the "Company") and its subsidiaries set out on pages 40 to 110, which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong
31 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
CONTINUING OPERATIONS			
REVENUE	8	**693,677**	752,685
Cost of sales		**(483,732)**	(537,957)
Gross profit		**209,945**	214,728
Other income and gains	8	**20,324**	22,338
Selling and distribution expenses		**(47,772)**	(49,190)
Administrative expenses		**(47,769)**	(44,263)
Research and development expenses		**(29,021)**	(32,537)
Other expenses		**(2,956)**	(8,807)
Finance costs	10	**(5,301)**	(5,329)
PROFIT BEFORE TAX	9	**97,450**	96,940
Income tax expense	13	**(18,155)**	(15,240)
PROFIT FOR THE YEAR		**79,295**	81,700
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(27,788)**	(1,877)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**51,507**	79,823
Profit attributable to:			
Owners of the parent		**78,954**	81,130
Non-controlling interests		**341**	570
		79,295	81,700
Total comprehensive income attributable to:			
Owners of the parent		**51,166**	79,253
Non-controlling interests		**341**	570
		51,507	79,823
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	15		
Basic		**HK15.3 cents**	HK20.2 cents
Diluted		**HK12.1 cents**	HK20.0 cents

Consolidated Statement of Financial Position

31 December 2015

	Notes	31 December 2015 HK$'000	31 December 2014 HK$'000 (Restated)	1 January 2014 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	16	**295,907**	315,569	251,452
Prepaid land lease payments	17	**69,494**	75,722	16,850
Deferred tax assets	29	**1,409**	1,680	1,144
Non-current prepayments	21	**21,242**	3,857	–
Total non-current assets		**388,052**	396,828	269,446
CURRENT ASSETS				
Inventories	18	**65,313**	79,518	74,680
Trade and bills receivables	19	**69,416**	83,077	77,733
Derivative financial instruments	20	**–**	–	4,644
Prepayments, deposits and other receivables	21	**13,425**	18,516	26,458
Due from related parties		**2,556**	21,145	116,366
Pledged bank deposits	22	**8,447**	11,942	15,202
Cash and cash equivalents	22	**179,551**	105,319	118,123
Total current assets		**338,708**	319,517	433,206
CURRENT LIABILITIES				
Trade and bills payables	23	**62,808**	95,415	87,906
Other payables and accruals	24	**53,974**	55,815	45,794
Interest-bearing bank borrowings	25	**41,282**	120,186	89,616
Derivative financial instruments	20	**424**	2,617	–
Dividend payable		**–**	–	21,696
Tax payable		**5,981**	4,523	11,353
Due to related parties		**3,600**	2,745	5,572
Deferred income	28	**304**	323	273
Total current liabilities		**168,373**	281,624	262,210
NET CURRENT ASSETS		**170,335**	37,893	170,996
TOTAL ASSETS LESS CURRENT LIABILITIES		**558,387**	434,721	440,442

Consolidated Statement of Financial Position

31 December 2015

	Notes	**31 December 2015 HK$'000**	31 December 2014 HK$'000 (Restated)	1 January 2014 HK$'000 (Restated)
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	*25*	**19,802**	20,784	42,384
Deferred tax liabilities	*29*	**1,030**	890	1,897
Deferred income	*28*	**2,894**	3,398	3,483
Total non-current liabilities		**23,726**	25,072	47,764
Net assets		**534,661**	409,649	392,678
EQUITY				
Equity attributable to owners of the parent				
Share capital	*30*	**6,241**	4,049	4,000
Equity component of convertible notes	*26*	**645,000**	–	–
Reserves	*32*	**(120,509)**	401,575	385,050
Non-controlling interests		**3,929**	4,025	3,628
Total equity		**534,661**	409,649	392,678

Lin Wan Tsang
Director

Ko Sau Mee
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

	Share capital HK$'000 *(note 30)*	Share premium account HK$'000	Contributed surplus HK$'000	Merger reserve HK$'000	Share option reserve HK$'000 *(note 30)*	Equity component of convertible notes HK$'000	Reserve funds HK$'000	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Proposed final dividends HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity/ (accumulated deficits) HK$'000
At 1 January 2015 (Restated)	4,049	72,177	111,196	10,911	5,054	–	47,023	29,658	116,656	8,900	405,624	4,025	409,649
Profit for the year	–	–	–	–	–	–	–	–	78,954	–	78,954	341	79,295
Other comprehensive income for the period:	–	–	–	–	–	–	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(27,788)	–	–	(27,788)	–	(27,788)
Total comprehensive income for the year	–	–	–	–	–	–	–	(27,788)	78,954	–	51,166	341	51,507
Business combination under common control	–	–	–	(900,000)	–	–	–	–	–	–	(900,000)	–	(900,000)
Issue of convertible notes	–	–	–	–	–	780,000	–	–	–	–	780,000	–	780,000
Exercise the conversion rights attached to the convertible notes	1,250	133,750	–	–	–	(135,000)	–	–	–	–	–	–	–
Placing shares	909	199,606	–	–	–	–	–	–	–	–	200,515	–	200,515
Exercise of share options	33	4,005	–	–	(1,725)	–	–	–	–	–	2,313	–	2,313
Transfer from retained profits	–	–	–	–	–	–	9,016	–	(9,016)	–	–	–	–
Equity-settled share option arrangements	–	–	–	–	1,117	–	–	–	–	–	1,117	–	1,117
Dividends paid	–	(1,103)*	–	–	–	–	–	–	–	(8,900)*	(10,003)	(437)	(10,440)
Proposed dividends	–	(13,731)	–	–	–	–	–	–	–	13,731	–	–	–
At 31 December 2015	6,241	394,704#	111,196#	(889,089)#	4,446#	645,000	56,039#	1,870#	186,594#	13,731#	530,732	3,929	534,661

Notes:

\# These reserve accounts comprise the debit consolidated reserves of HK$120,509,000 as at 31 December 2015 (31 December 2014: credit consolidated reserves of HK$401,575,000) in the consolidated statement of financial position.

* The final dividends were approved by the Company's shareholders at the annual general meeting.

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

	Share capital HK$'000 *(note 30)*	Share premium account HK$'000	Contributed surplus HK$'000	Merger reserve HK$'000	Share option reserve HK$'000 *(note 30)*	Reserve funds HK$'000	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Proposed final dividends HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
As previously reported	4,000	76,254	111,196	–	2,811	21,623	24,111	47,320	12,000	299,315	3,628	302,943
Effect of business combination under common control	–	–	–	10,911	–	15,650	7,424	55,750	–	89,735	–	89,735
At 1 January 2014 (Restated)	4,000	76,254	111,196	10,911	2,811	37,273	31,535	103,070	12,000	389,050	3,628	392,678
Profit for the year	–	–	–	–	–	–	–	81,130	–	81,130	570	81,700
Other comprehensive income for the year:	–	–	–	–	–	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(1,877)	–	–	(1,877)	–	(1,877)
Total comprehensive income for the year	–	–	–	–	–	–	(1,877)	81,130	–	79,253	570	79,823
Lapse of share options	–	7	–	–	(7)	–	–	–	–	–	–	–
Exercise of share options	49	4,816	–	–	(1,462)	–	–	–	–	3,403	–	3,403
Transfer from retained profits	–	–	–	–	–	9,750	–	(9,750)	–	–	–	–
Equity-settled share option arrangements	–	–	–	–	3,712	–	–	–	–	3,712	–	3,712
Dividends paid	–	–	–	–	–	–	–	(57,794)	(12,000)	(69,794)	(173)	(69,967)
Proposed dividends	–	(8,900)	–	–	–	–	–	–	8,900	–	–	–
At 31 December 2014 (Restated)	4,049	72,177	111,196	10,911	5,054	47,023	29,658	116,656	8,900	405,624	4,025	409,649

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**97,450**	96,940
Adjustments for:			
Finance costs	10	**5,301**	5,329
Bank interest income	8	**(678)**	(1,153)
Fair value (gains)/losses, net:			
Derivative instruments — transactions not qualifying as hedges	20	**(2,108)**	7,214
Losses/(gains) on disposal of property, plant and equipment	9	**123**	(134)
Share option expense	31	**1,117**	3,712
Depreciation	16	**30,126**	26,441
Amortisation of land lease prepayments	17	**1,840**	1,321
Impairment of trade receivables		**1,242**	1,002
Decrease/(increase) in inventories		**14,205**	(4,838)
Decrease/(increase) in trade and bills receivables		**12,419**	(6,346)
Decrease in prepayments, deposits and other receivables		**5,262**	7,951
(Decrease)/increase in trade payables		**(32,607)**	7,509
(Decrease)/increase in other payables and accruals		**(4,149)**	9,899
(Increase)/decrease in amount due from related parties		**(1,411)**	95,221
Increase/(decrease) in amounts due to related parties		**855**	(2,827)
Receipt of government grants		**1,009**	2,971
Cash generated from operations		**129,996**	250,212
Withholding tax paid		**(890)**	(310)
Tax paid		**(16,381)**	(23,610)
Net cash flows from operating activities		**112,725**	226,292

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(44,530)**	(95,731)
Purchases of items of land lease prepayments		**–**	(60,255)
Proceeds from disposal of items of property, plant and equipment		**389**	541
Decrease in pledged deposits		**3,495**	3,260
Interest received from banks		**678**	1,153
Net cash flows used in investing activities		**(39,968)**	(151,032)
CASH FLOWS FROM FINANCING ACTIVITIES			
New placing shares		**200,515**	–
Exercise of share option		**2,313**	3,405
New bank loans		**188,846**	264,823
Repayment of bank loans		**(268,732)**	(255,853)
Interest paid		**(5,301)**	(5,329)
Dividends paid to non-controlling interests		**(437)**	(173)
Dividends paid to owners of the parent		**(10,003)**	(91,490)
Acquisition of a subsidiary under common control	*33*	**(100,000)**	–
Net cash flows from/(used in) financing activities		**7,201**	(84,617)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**79,958**	(9,357)
Exchange realignment		**(5,726)**	(3,447)
Cash and cash equivalents at beginning of year		**105,319**	118,123
CASH AND CASH EQUIVALENTS AT END OF YEAR	*22*	**179,551**	105,319
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**187,998**	117,261
Cash and cash equivalents as stated in the statement of financial position		**187,998**	117,261
Pledged deposits		**(8,447)**	(11,942)
Cash and cash equivalents as stated in the statement of cash flows		**179,551**	105,319

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 12 September 2012. The Company's registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 July 2013 (the "Listing Date").

The principal activity of the Company is investment holding. The principal activities of the subsidiaries (the Company and its subsidiaries are collectively referred to as the "Group") comprise the manufacture and sale of aluminum aerosol cans and content filing of aerosol cans and production and sale of aerosol products and non-aerosol products. There has been no significant change in the Group's principal activities during the year.

In the opinion of the directors (the "Directors"), as at the date of this report, the immediate holding company and ultimate holding company of the Company is Wellmass International Limited, a company incorporated in the British Virgin Islands ("BVI").

Information about subsidiaries

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

Company name	Place and date of incorporation/ registration and business	Issued capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Euro Asia Investments Global Limited	BVI 3 October 2012	US$1	100	–	Investment holding
Hong Kong Aluminum Cans Limited	Hong Kong 6 September 2012	HK$1,001	–	100	Investment holding
Euro Asia Packaging (Hong Kong) Co., Limited	Hong Kong 18 November 2013	HK$1,000,000	–	100	Sale of aluminum aerosol cans
Euro Asia Packaging *	Mainland China 27 June 2002	RMB125,000,000	–	98.6	Manufacture and sale of aluminum aerosol cans
European Asia Group Company Limited (歐亞行集團有限公司)	Hong Kong 2 April 2005	HK$1,500,000	–	98.6	Sale of aluminum aerosol cans
Guangzhou Botny Chemical Co., Ltd. ("Botny Chemical")	Mainland China 30 August 2000	US$11,400,000	–	100	Content filling of aerosol cans and production and sale of aerosol products and non-aerosol products

1. CORPORATE AND GROUP INFORMATION *(continued)*

Company name	Place and date of incorporation/ registration and business	Issued capital	Percentage of equity attributable to the Company Direct %	Indirect %	Principal activities
Botny Corporation Limited	Hong Kong 3 June 2013	HK$1,001	–	100	Investment holding
Botny Hong Kong Co., Limited	Hong Kong 9 June 2010	US$100,000	–	100	Trading of aerosol and non-aerosol products
Guangzhou Shentian Woye Trading Company Limited ("Guangzhou Shentian") (廣州深田沃業貿易有限公司)	Mainland China 5 May 2014	RMB10,000,000	–	100	Investment holding
Guangzhou Chaoli Insulation Coating Company Limited ("Guangzhou Chaoli") (廣州超利隔熱塗料有限公司)	Mainland China 18 July 2014	RMB10,000,000	–	100	Investment holding
Topspan Holdings Limited	BVI 3 July 2012	US$1	–	100	Investment holding

* Non-wholly-owned foreign enterprise under PRC law.

2. BUSINESS COMBINATION UNDER COMMON CONTROL AND BASIS OF PREPARATION

On 3 October 2014, Euro Asia Investments Global Limited ("Euro Asia"), a subsidiary of the Group entered into a share acquisition agreement (the "Agreement") with Mr. Lin Wan Tsang, an executive director, the chairman and a controlling shareholder of the Company. Pursuant to the Agreement, Mr. Lin Wan Tsang agreed to sell the entire issued share capital of Topspan Holdings Limited, an investment holding company of a group of companies (the "Topspan Group") to the Company (the "Acquisition"). The Acquisition constituted a very substantial acquisition and connected transaction as defined in the Listing Rules. Details of the Acquisition were set out in the Company's circulars made on 29 November 2014, 31 March 2015 and announcements made on 3 October 2014, 8 December 2014, 13 March 2015, 16 March 2015 and 7 July 2015. The Acquisition was completed on 20 May 2015 with the total consideration satisfied by HK$120 million in cash and HK$780 million by the issuance of convertible notes (the "Convertible Notes"). The convertible notes were issued on 8 July 2015.

The directors consider that it should be a business combination under common control as the Company and the Topspan Group were ultimately controlled by Mr. Lin Wan Tsang both before and after the business combination, and that control was not transitory.

2. BUSINESS COMBINATION UNDER COMMON CONTROL AND BASIS OF PREPARATION

(continued)

Accordingly, the consolidated financial statements have been prepared using the pooling of interest method with restatement of the comparative amounts as if the Acquisition had been completed since the beginning of the financial periods.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the years ended 31 December 2015 and 2014 include the financial performance and cash flows of all companies now comprising the Group from the earliest date presented or since the dates when the subsidiaries first came under the common control of Mr. Lin Wan Tsang, the controlling shareholder, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2014 and 31 December 2015 have been prepared to present the assets and liabilities of the Group using the existing carrying values from the controlling shareholder's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Acquisition.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board (the "IASB").

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2015. 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). 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.

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 in the accounting policy for subsidiaries below. 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 19	*Defined Benefit Plans: Employee contributions*
Annual Improvements 2010–2012 Cycle	*Amendments to a number of IFRSs*
Annual Improvements 2011–2013 Cycle	*Amendments to a number of IFRSs*

The adoption of the above revised standards has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

For non-Hong Kong incorporated companies

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

4. ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 9	*Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
IFRS 14	*Regulatory Deferral Accounts*[3]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IAS 1	*Disclosure Initiative*[1]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[1]
Annual Improvements to IFRSs 2012–2014 Cycle	Amendments to a number of IFRSs[1]
IFRS 16	*Leases*[4]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[5]
Amendments to IAS 7	*Statement of Cash Flows*[5]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
4 Effective for annual periods beginning on or after 1 January 2019
5 Effective for annual periods beginning on or after 1 January 2017

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application, but is not yet in a position to state whether these new and revised IFRSs will have a significant impact on the Group's results of operations and financial position.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value measurement

The Group measures its derivative financial instruments 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

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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 groups 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 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, however 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 profit or loss in the period in which it arises.

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties *(continued)*

(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 Group (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.

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 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 that 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. The principal annual rates used for this purpose are as follows:

Buildings	4.5%
Plant and machinery	4.5%–9%
Office and other equipment	18%
Motor vehicles	18%

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment and depreciation *(continued)*

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate at least, at each financial year end.

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 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 plant and machinery under construction, which are stated at cost less any impairment losses, and are 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.

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. Asset 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 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.

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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets

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:

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. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive changes in fair value presented as other income and gains and negative changes in fair value presented as other expenses in the statement of profit or loss and comprehensive income. These net fair value changes do not include any interest earned on these financial assets, which are recognised in accordance with the policy set out for "Revenue recognition" 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 IAS 39 are satisfied.

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, these 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 loss arising from impairment is recognized in other expenses for receivables.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derecognition of financial assets

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 assets. 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.

Impairment of financial assets

The Group assesses at the end of each of each reporting period whether there is any 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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

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).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued 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 profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing and other bank borrowings and due to related parties.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities *(continued)*

Financial liabilities at fair value through profit or loss

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 purchasing 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 IAS 39.

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 IAS 39 are satisfied.

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 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 profit or loss.

Convertible Notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

If the conversion option of convertible notes exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible notes are measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible notes based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the statement of profit or loss.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derecognition of financial liabilities

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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently an 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

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risk. These 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 derivative instruments entered into by the Group do not qualify for hedge accounting, and changes in the fair value of these derivative instruments are recognised in the statement of profit or loss and other comprehensive income.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

5. 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 which are readily convertible into known amounts of cash and which 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 each 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 profit or loss.

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 each reporting period, taking into consideration interpretations and practices prevailing in the jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

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.

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 each reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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 profit or loss over the expected useful life of the relevant asset by equal annual instalments.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

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; and

(b) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based payments *(continued)*

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Employee retirement benefits

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central 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 those employees who are eligible to participate in the MPF Scheme in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the 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.

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.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. In prior years, final dividends proposed by the directors were classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies

The financial statements are presented in Hong Kong dollars, which is the Company's functional currency. 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 retranslated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

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 differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars 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 and comprehensive income.

6. SIGNIFICANT ACCOUNTING JUDGEMENT 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.

6. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES *(continued)*

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Tax

Determining income tax provisions requires the Group to make judgements on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

Deferred tax liability is recognised for withholding tax levied on dividends declared to foreign investors from the foreign investment enterprise established in Mainland China. Significant management judgement is required to determine the amount of deferred tax liabilities that can be recognised, based upon the likely dividends declared.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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.

Useful lives and residual values of property, plant and equipment

In determining the useful life and residual value of an item of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end based on changes in circumstances. The carrying amounts of property, plant and equipment at 31 December 2015 and 2014 were HK$295,907,000 and HK315,569,000, respectively. Further details are given in note 16.

Impairment of non-financial assets (other than goodwill)

The Group assesses at each reporting date whether there is any indications that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset. This requires an estimation of the value in use of the cash-generating unit to which the asset is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

7. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of aluminum aerosol cans mainly for packaging household chemical products and the content filling of aerosol cans, and production and sale of aerosol and non-aerosol products.

For management purposes, the Group is organised into business units based on their products and services. As a result of the Acquisition under common control, the Group changed the structure of its internal organization in a manner that caused the composition of its reportable segments to change. Based on the new internal organization which incorporates the new business, the Group has two reportable operating segments and the corresponding items of segment information for the twelve months ended 31 December 2014 have been restated.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that interest income, finance costs, dividend income, fair value gains/losses from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, pledged deposits, cash and cash equivalents, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, interest-bearing bank and other borrowings, an amount due to the ultimate holding company, convertible notes, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

7. OPERATING SEGMENT INFORMATION *(continued)*

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2015	Aluminum aerosol cans HK$'000	Aerosol and non-aerosol products HK$'000	Total HK$'000
Segment revenue:			
Sales to customers	212,252	481,425	693,677
Intersegment sales	58,831	8,958	67,789
Total	271,083	490,383	761,466
Reconciliation:			
Elimination of intersegment sales			(67,789)
Revenue from continuing operations			693,677
Segment results	30,161	79,496	109,657
Reconciliation:			
Interest income			678
Corporate and other unallocated expenses			(7,584)
Finance costs			(5,301)
Profit before tax from continuing operations			97,450

7. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2015	Aluminum aerosol cans HK$'000	Aerosol and non-aerosol products HK$'000	Total HK$'000
Segment assets	324,023	240,470	564,493
Reconciliation:			
Elimination of intersegment receivables			(28,179)
Corporate and other unallocated assets			190,446
Total assets			726,760
Segment liabilities	51,183	97,064	148,247
Reconciliation:			
Elimination of intersegment payables			(28,066)
Corporate and other unallocated liabilities			71,918
Total liabilities			192,099
Other segment information:			
Depreciation and amortisation	19,403	12,563	31,966
Capital expenditure	37,938	8,901	46,839
Impairment losses recognised in the statement of profit or loss	–	1,242	1,242

7. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2014 (Restated)	Aluminum aerosol cans HK$'000	Aerosol and non-aerosol products HK$'000	Total HK$'000
Segment revenue:			
Sales to customers	235,723	516,962	752,685
Intersegment sales	71,172	1,272	72,444
Total	306,895	518,234	825,129
Reconciliation:			
Elimination of intersegment sales			(72,444)
Revenue from continuing operations			752,685
Segment results	46,332	65,081	111,413
Reconciliation:			
Interest income			1,153
Corporate and other unallocated expenses			(10,297)
Finance costs			(5,329)
Profit before tax from continuing operations			96,940

7. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2014 (Restated)	Aluminum aerosol cans HK$'000	Aerosol and non-aerosol products HK$'000	Total HK$'000
Segment assets	325,254	253,067	578,321
Reconciliation:			
Elimination of intersegment receivables			(2,364)
Corporate and other unallocated assets			140,388
Total assets			716,345
Segment liabilities	34,612	121,575	156,187
Reconciliation:			
Elimination of intersegment payables			(2,212)
Corporate and other unallocated liabilities			152,721
Total liabilities			306,696
Other segment information:			
Depreciation and amortisation	19,633	8,129	27,762
Capital expenditure	11,258	144,728	155,986
Impairment losses recognised in the statement of profit or loss	–	1,002	1,002

7. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
		(Restated)
Mainland China	**472,781**	468,774
Africa	**25,909**	33,852
America	**20,923**	27,360
Asia	**16,377**	28,301
Middle East	**47,128**	56,584
Japan	**105,467**	131,157
Others	**5,092**	6,657
	693,677	752,685

The revenue information above is based on the shipment destinations.

(b) Non-current assets

	2015	2014
	HK$'000	HK$'000
		(Restated)
Hong Kong	**781**	1,001
Mainland China	**385,862**	394,147
	386,643	395,148

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Since no revenue from sales to a single customer amounted to 10% or more of the Group's revenue during the year, no major customer information is presented in accordance with HKFRS 8 Operating Segments.

8. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold after allowances for returns and trade discounts, for the year.

An analysis of revenue, other income and gains for continuing operations is as follows:

	2015 HK$'000	2014 HK$'000 (Restated)
Revenue		
Sale of goods	**693,677**	752,685
Other income and gains		
Sale of scrap materials	**5,160**	4,397
Bank interest income	**678**	1,153
Government grants:		
— Related to assets* *(note 28)*	**315**	276
— Related to income**	**1,009**	2,971
Fair value gains, net:		
Derivative instruments — transactions not qualifying as hedges	**2,108**	–
Foreign exchange differences	**3,180**	2,434
Income from R&D design	**5,983**	7,575
Others	**1,891**	3,532
	20,324	22,338

* The amount represents the subsidies for the aluminum aerosol cans production line technical renovation program received from the local government. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

** Various government grants of HK$1,009,000 (2014: HK$2,971,000) represents cash payments and subsidies provided by the local government authorities to the Group as an encouragement for its technological innovation and overseas sales. There are no unfulfilled conditions or contingencies relating to these grants.

9. PROFIT BEFORE TAX

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

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
Cost of inventories sold		483,732	537,957
Depreciation	16	30,126	26,441
Amortisation of prepaid land lease payments	17	1,840	1,321
Auditors' remuneration		2,416	3,892
Research and development costs		29,021	32,537
Minimum lease payments under operating leases		1,066	1,031
Employee benefit expense (including directors' and chief executive's remuneration *(note 11)*):			
Wages and salaries		58,172	54,581
Pension scheme contributions		6,930	5,157
Equity-settled share option expenses		1,117	3,712
		66,219	63,450
Fair value gains, net:			
Derivative instruments — transactions not qualifying as hedges *		(2,108)	7,213
Exchange loss/(gains),net *		(3,180)	(2,434)
Loss/(gain) on disposal of items of property, plant and equipment *		123	(134)
Impairment of trade receivables**		1,242	1,002

* Included in "Other income and gains" or "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

** Included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

10. FINANCE COSTS

	2015 HK$'000	2014 HK$'000 (Restated)
Interest on bank loans wholly repayable within five years	5,277	5,354
Interest on finance lease	24	32
Total interest expense on financial liabilities not at fair value through profit or loss	5,301	5,386
Less: Interest capitalised	–	(57)
	5,301	5,329

11. DIRECTORS' 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:

	2015 HK$'000	2014 HK$'000 (Restated)
Fees	**2,161**	2,161
Other emoluments:		
Salaries, allowances and benefits in kind	**369**	368
Equity-settled share option expenses	**610**	1,243
Pension scheme contributions	**33**	32
	1,012	1,643
Total	**3,173**	3,804

(a) Independent Non-Executive Directors

The fees paid to independent non-executive directors during the year were as follows:

	2015 HK$'000	2014 HK$'000 (Restated)
Mr. Leung Man Fai	**150**	150
Dr. Lin Tat Pang	**150**	150
Ms. Guo Yang	**150**	150
Mr. Chung Yi To	**150**	150
	600	600

There were no other emoluments payable to the independent non-executive directors during the year (2014: Nil).

11. DIRECTORS' REMUNERATION *(continued)*

(b) Executive Directors and a Non-Executive Director

	Fees HK$'000	Equity-settled share option expenses HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2015					
Executive directors:					
Mr. Lin Wan Tsang	**600**	**–**	**369**	**18**	**987**
Ms. Ko Sau Mee	**300**	**–**	**–**	**15**	**315**
Mr. Chamlong Wachakorn	**301**	**388**	**–**	**–**	**689**
	1,201	**388**	**369**	**33**	**1,991**
Non-executive director:					
Mr. Kwok Tak Wang	**360**	**222**	**–**	**–**	**582**
	1,561	**610**	**369**	**33**	**2,573**
2014 (Restated)					
Executive directors:					
Mr. Lin Wan Tsang	600	–	368	17	985
Ms. Ko Sau Mee	300	–	–	15	315
Mr. Chamlong Wachakorn	301	791	–	–	1,092
	1,201	791	368	32	2,392
Non-executive director:					
Mr. Kwok Tak Wang	360	452	–	–	812
	1,561	1,243	368	32	3,204

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2014: three), details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining three (2014: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2015 HK$'000	2014 HK$'000 (Restated)
Salaries, allowances and benefits in kind	2,086	1,159
Equity-settled share option expenses	222	226
Pension scheme contributions	84	77
	2,392	1,462

The number of these non-director, highest paid employees whose remuneration fell within the following band is as follows:

	2015	2014 (Restated)
Nil to HK$1,000,000	2	2
HK$1,000,000 to HK$1,500,000	1	0
	3	2

In 2013, share options were granted to four non-director highest paid employee in respect of their services to the Group, further details of which are included in the disclosures in note 31 to the financial statements. The fair value of these options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director, highest paid employees' remuneration disclosures.

13. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempt from the payment of the Cayman Islands income tax.

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any tax in the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year 2015 (2014: 16.5%).

13. INCOME TAX EXPENSE *(continued)*

Pursuant to the PRC Income Tax Law and the respective regulations, a subsidiary of the group, which operates in Mainland China is subject to Corporate Income Tax ("CIT") at a rate of 25% on the taxable income. Preferential tax treatment is available to the Group's principal operating subsidiaries, Euro Asia Packaging (Guangdong) Co., Ltd. ("Euro Asia Packaging") (廣東歐亞包裝有限公司) and Botny Chemical (Guangzhou) Limited ("Botny Chemical") (廣州保賜利化工有限公司) since they were recognised as High Technology Enterprises and are entitled to a preferential tax rate of 15% for the years 2014 and 2015.

	2015 HK$'000	2014 HK$'000 (Restated)
Current — Mainland China	**15,809**	17,746
Current — Hong Kong	**2,030**	(966)
Deferred *(note 29)*	**316**	(1,540)
Total tax charge for the year	**18,155**	15,240

A reconciliation of the income tax expense applicable to profit before tax using the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates to the effective tax rates, are as follows:

	2015 HK$'000	**%**	2014 HK$'000 (Restated)	%
Profit before tax	**97,450**		96,940	
Tax at the statutory tax rate	**24,363**	**25**	24,235	25
Entities subject to lower statutory income tax rates	**(10,163)**	**(10)**	(10,469)	(11)
Effect of withholding tax on distributable profits of the PRC subsidiary	**140**	**–**	(310)	–
Expenses not deductible for tax	**2,207**	**2**	2,601	3
Adjustment in respect of current tax of previous periods	**353**	**–**	(2,600)	(3)
Tax losses not recognised	**1,255**	**1**	1,783	2
Tax charge at the Group's effective tax rate	**18,155**	**19**	15,240	16

14. DIVIDENDS

	2015 HK$'000	2014 HK$'000 (Restated)
Proposed final — HK2.2 cents per ordinary share (2014: HK2.2 cents per ordinary share)	13,731	8,900

The proposed final dividend for the year is subject to approval of the Company's shareholders of the forthcoming annual general meeting.

15. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 515,355,795 (2014: 400,856,904) in issue during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the weighted average 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.

	2015 HK$'000	2014 HK$'000 (Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	78,954	81,130

	Number of shares	
Shares		
Weighted average number of ordinary shares in issue used in the basic earnings per share calculation	515,355,795	400,856,904
Effect of dilution — weighted average number of ordinary shares:		
Share options	4,683,500	4,208,738
Convertible notes	132,643,946	–
Adjusted weighted average number of ordinary shares in issue used in the diluted earnings per share calculation	652,683,241	405,065,642

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Plant and machinery HK$'000	Office and other equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
31 December 2015						
At 1 January 2015 (Restated):						
Cost	142,013	271,977	14,703	12,471	4,571	445,735
Accumulated depreciation	(27,339)	(88,611)	(7,453)	(6,763)	–	(130,166)
Net carrying amount	114,674	183,366	7,250	5,708	4,571	315,569
At 1 January 2015, net of accumulated depreciation	114,674	183,366	7,250	5,708	4,571	315,569
Additions	4,118	3,619	1,565	1,254	18,898	29,454
Disposals	–	(26)	(86)	(400)	–	(512)
Depreciation provided during the year *(note 9)*	(8,790)	(18,587)	(1,599)	(1,150)	–	(30,126)
Transfers	–	3,291	–	–	(3,291)	–
Exchange realignment	(6,737)	(10,770)	(427)	(276)	(268)	(18,478)
At 31 December 2015, net of accumulated depreciation	103,265	160,893	6,703	5,136	19,910	295,907
At 31 December 2015:						
Cost	137,788	262,800	14,877	11,859	19,910	447,234
Accumulated depreciation	(34,523)	(101,907)	(8,174)	(6,723)	–	(151,327)
Net carrying amount	103,265	160,893	6,703	5,136	19,910	295,907

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Buildings HK$'000	Plant and machinery HK$'000	Office and other equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
31 December 2014 (Restated)						
At 1 January 2014:						
Cost	71,478	247,814	9,985	10,562	16,140	355,979
Accumulated depreciation	(21,850)	(71,197)	(5,926)	(5,554)	–	(104,527)
Net carrying amount	49,628	176,617	4,059	5,008	16,140	251,452
At 1 January 2014, net of accumulated depreciation	49,628	176,617	4,059	5,008	16,140	251,452
Additions	70,774	9,544	4,878	2,406	4,271	91,873
Disposals	–	(183)	(30)	(194)	–	(407)
Depreciation provided during the year *(note 9)*	(5,564)	(17,806)	(1,642)	(1,429)	–	(26,441)
Transfers	–	15,785	–	–	(15,785)	–
Exchange realignment	(164)	(591)	(15)	(83)	(55)	(908)
At 31 December 2014, net of accumulated depreciation	114,674	183,366	7,250	5,708	4,571	315,569
At 31 December 2014:						
Cost	142,013	271,977	14,703	12,471	4,571	445,735
Accumulated depreciation	(27,339)	(88,611)	(7,453)	(6,763)	–	(130,166)
Net carrying amount	114,674	183,366	7,250	5,708	4,571	315,569

The Group's buildings are located in Mainland China.

The net book value of the Group's fixed assets held under finance leases included in the total amount of motor vehicles were HK$781,278 as at 31 December 2015 (2014: HK$1,001,013).

Certain of the Group's interest-bearing bank borrowings were secured by the Group's buildings with a carrying value of HK$86,982,000 as at 31 December 2015 (2014: HK$92,471,000) (note 25).

Certain of the Group's interest-bearing bank borrowings were secured by the Group's plant and machinery with a carrying value of HK$84,783,000 as at 31 December 2015 (2014: HK$99,407,000) (note 25).

17. PREPAID LAND LEASE PAYMENTS

	2015 HK$'000	2014 HK$'000 (Restated)
Carrying amount at 1 January	77,613	19,170
Acquisition	–	60,255
Recognised during the year *(note 9)*	(1,840)	(1,321)
Exchange realignment	(4,499)	(491)
Carrying amount at 31 December	71,274	77,613
Current portion included in prepayments, deposits and other receivables	(1,780)	(1,891)
Non-current portion	69,494	75,722

Certain of the Group's interest-bearing bank borrowings were secured by the Group's prepaid land lease payments with a carrying value of HK$9,689,000 as at 31 December 2015 (2014: HK$16,912,000) (note 25).

The Group's leasehold land is held under a medium term lease and is situated in Mainland China.

18. INVENTORIES

	2015 HK$'000	2014 HK$'000 (Restated)
Raw materials	33,130	38,108
Work in progress	3,702	3,938
Finished goods	28,481	37,472
	65,313	79,518

19. TRADE AND BILLS RECEIVABLES

	2015 HK$'000	2014 HK$'000 (Restated)
Trade receivables	**58,566**	67,979
Impairment	**(3,032)**	(1,945)
Trade receivables, net	**55,534**	66,034
Bills receivables	**13,882**	17,043
	69,416	83,077

The Group requires most of its customers to make payment in advance, however, the Group grants certain credit periods to those customers with good payment history. The credit period for specific customers is considered on a case-by-case basis and set out in the sales contracts, as appropriate.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade receivables are non-interest-bearing, and the carrying amounts of the trade and bills receivable approximate to their fair values.

An aged analysis of the trade receivables as at the end of each reporting period, based on the invoice date, is as follows:

	2015 HK$'000	2014 HK$'000 (Restated)
Within 30 days	**23,869**	30,051
31 to 60 days	**10,255**	19,607
61 to 90 days	**5,522**	4,136
Over 90 days	**15,888**	12,240
	55,534	66,034

19. TRADE AND BILLS RECEIVABLES *(continued)*

The movements in provision for impairment of trade receivables are as follows:

	2015 HK$'000	2014 HK$'000 (Restated)
At 1 January	1,945	942
Impairment losses recognised	1,242	1,002
Exchange realignment	(155)	1
At 31 December	3,032	1,945

An aged analysis of the trade receivables, based on the credit term, that are not individually nor collectively considered to be impaired, is as follows:

			Past due but not impaired	
	Total	Neither past due nor impaired	Less than 90 days	Over 90 days
	HK$'000	HK$'000	HK$'000	HK$'000
31 December 2015	55,534	34,124	5,522	15,888
31 December 2014 (Restated)	66,034	49,658	4,136	12,240

The trade receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

The trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

20. DERIVATIVE FINANCIAL INSTRUMENTS

	2015		2014 (Restated)	
	Assets HK$'000	Liabilities HK$'000	Assets HK$'000	Liabilities HK$'000
Forward currency contracts	–	424	–	2,617

The Group has entered into various contracts to manage its exchange rate exposure which did not meet the criteria for hedge accounting. Fair value gains of HK$2,108,000 (2014: Fair value losses of HK$7,214,000) were recognised in the statement of profit or loss and other comprehensive income during the year.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015 HK$'000	2014 HK$'000 (Restated)
Non-current prepayments	**21,242**	3,857
Current assets		
Prepayments	**7,954**	15,249
Tax recoverable	**1,004**	1,411
Deposits and other receivables	**4,467**	1,856
	13,425	18,516

22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2015 HK$'000	2014 HK$'000 (Restated)
Cash and bank balances	**187,998**	117,261
Less: Pledged deposits		
Pledged for letter of credit	**(2,887)**	(8,192)
Pledged for acceptance bill	**(5,560)**	(3,750)
Cash and cash equivalents	**179,551**	105,319
Cash and bank balances denominated in		
— Renminbi ("RMB")	**93,163**	58,317
— United States dollars ("US$")	**74,472**	40,704
— HK$	**11,760**	6,298
— EUR	**156**	–
Cash and cash equivalents	**179,551**	105,319

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.

Pledged bank deposits represent balances pledged to banks for the Group's acceptance bill and letters of credit.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

23. TRADE AND BILLS PAYABLES

An aged analysis of the trade payables as at the end of each reporting period, based on the invoice date, is as follows:

	2015 **HK$'000**	2014 HK$'000 (Restated)
Within 30 days	**36,278**	57,857
31 to 60 days	**14,688**	29,485
61 to 90 days	**10,736**	7,063
Over 90 days	**1,106**	1,010
	62,808	95,415

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days. The carrying amounts of the trade payables approximate to their fair values.

24. OTHER PAYABLES AND ACCRUALS

	2015 **HK$'000**	2014 HK$'000 (Restated)
Deposits received from customers	**24,573**	27,176
Salary and welfare payables	**10,214**	11,796
Tax payables other than current income tax liabilities	**5,440**	3,636
Other payables and accruals	**13,747**	13,207
	53,974	55,815

The salary and welfare payables are non-interest-bearing and are payable on demand. The other payables and accruals are non-interest-bearing and are due to mature within one year.

25. INTEREST-BEARING BANK BORROWINGS

	2015			2014 (Restated)		
	Contractual interest rate (%)	Maturity	HK$'000	Contractual interest rate (%)	Maturity	HK$'000 (Restated)
Current						
Finance lease payables *(note 27)*	4.11%	2016	241	4.11%	2015	234
Interest-bearing bank loans — secured	PBOC base rate*1.10	2016	23,865	LIBOR	2015	31,026
Interest-bearing bank loans — secured			–	2.00%	2015	19,004
Interest-bearing bank loans — secured			–	PBOC base rate	2015	32,873
Interest-bearing bank loans — secured			–	PBOC base rate*1.15	2015	33,996
Current portion of long term bank loans — secured	LIBOR/PBOC base rate*1.15	2016	17,176	LIBOR	2015	3,053
			41,282			120,186
Non-current						
Finance lease payables *(note 27)*	4.11%	2017–2018	377	4.11%	2016–2018	618
Long term interest-bearing bank loans — secured	PBOC base rate*1.15	2017–2018	19,425	PBOC base rate*1.15	2016	17,113
Long term interest-bearing bank loans — secured			–	LIBOR	2016	3,053
			19,802			20,784
			61,084			140,970

Notes:

"PBOC" stands for the People's Bank of China (中國人民銀行), the central bank of China.

"SIBOR" stands for Singapore Interbank Offered Rate.

"LIBOR" stands for London Interbank Offered Rate.

25. INTEREST-BEARING BANK BORROWINGS *(continued)*

	2015 HK$'000	2014 HK$'000 (Restated)
Repayable:		
Within one year or on demand	**41,282**	120,186
In the second year	**14,377**	20,407
In the third to fifth years, inclusive	**5,425**	377
	61,084	140,970

The above secured bank loans were secured by certain of the Group's assets and their carrying values are as follows:

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
Property, plant and equipment	*16*	**171,765**	191,878
Prepaid land lease payments	*17*	**9,689**	16,912
		181,454	208,790

The Group's bank loans amounting to nil as at 31 December 2015 (2014: HK$7,053,000) were guaranteed by Mr. Lin Wan Tsang, the ultimate controlling shareholder of the Group (note 37).

The Group's bank loans amounting to nil as at 31 December 2015 (2014: HK$26,944,000) were guaranteed by Mr. Lin Wan Tsang and Euro Asia Aerosol and Household Products Manufacture Co., Ltd ("Euro Asia Aerosol") (note 37).

	2015 HK$'000	2014 HK$'000 (Restated)
Interest-bearing bank borrowings denominated in		
— RMB	**57,417**	51,108
— US$	**3,049**	89,010
— HK$	**618**	852
	61,084	140,970

25. INTEREST-BEARING BANK BORROWINGS *(continued)*

The Group has the following undrawn banking facilities:

	2015 **HK$'000**	2014 HK$'000 (Restated)
Floating rate		
— expiring within one year	**90,995**	128,352
— expiring over one year	**36,845**	13,287
	127,840	141,639

The Group's banking facilities amounting to nil as at 31 December 2015 (2014: HK$18,300,000) were guaranteed by Mr. Lin Wan Tsang, the ultimate controlling shareholder of the Group (note 37).

The Group's banking facilities amounting to HK$40,927,000 as at 31 December 2015 (2014: HK$5,363,000) were guaranteed by Mr. Lin Wan Tsang and Euro Asia Aerosol (note 37).

26. CONVERTIBLE NOTES

On 20 May 2015, the Group acquired 100% interest in the Topspan Group from Mr. Lin Wan Tsang, the controlling shareholder of the Company. The Topspan Group is engaged in the content filling of aerosol cans and production and sale of aerosol and non-aerosol products. The acquisition was made as part of the Group's strategy to allow the Group to capture downstream profit margins by gaining access to the downstream distribution channels. The purchase consideration aggregated to HK$900,000,000, of which HK$780,000,000 were settled by the issue of convertible notes by the Company (the "Convertible Notes"). On 8 July 2015, the Company issued the HK$780,000,000 convertible notes.

The key terms of the convertible bonds are as follows:

Principal amount: HK$780,000,000.

Interest: the convertible notes shall not bear any interest.

Term: A fixed term of 5 years from the issue. Any principal amount of the convertible notes which have not been redeemed or converted by the maturity date will be converted into the ordinary shares on the maturity date.

Conversion: The notes holder may at any time during the conversion period convert the whole or part of the principal amount of convertible notes into ordinary shares at the conversion price.

Redemption: the issuer cannot redeem the convertible notes or part thereof at any time on or before the maturity date.

26. CONVERTIBLE NOTES *(continued)*

Conversion price: HK$1.08 per share, subject to adjustments as below.

Adjustment events: (1) consolidation or subdivision of shares; (2) capitalization of profits or reserves; (3) capital distribution; (4) offer of new shares for subscription by way of rights, or a grant of options or warrants to subscribe for new shares, at a price which is less than 90% of the market price per share; (5) issue wholly for cash of securities convertible into or exchangeable for or carrying rights of subscription for new shares, if in any case the total effective consideration per share receivable is less than 90% of the market price, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration receivable is less than 90% of such market price; and (6) issue of shares being made wholly for cash or for acquisition of assets at a price less than 90% of the market price per share. As the convertible notes are not redeemable and carry no interests, it contains no contractual obligation and it will be settled by the exchange of a fixed amount of another financial asset for a fixed number of the company's own equity instruments. In this case, the convertible notes are classified as equity.

On 10 July, 8 September and 27 October 2015, the Company received a formal notice from Mr. Lin Wan Tsang for the exercise of the conversion rights attached to the convertible notes in the amount of HK$108,000,000, HK$21,600,000 and HK$5,400,000 respectively at the Conversion Price of HK$1.08 per Conversion Share (the "Conversion"). The portion of the convertible notes of which the conversion rights are being exercised represents approximately 17.31% of the convertible notes with a principal amount of HK$780,000,000 held by the Vendor. In accordance with the Conversion requirement, 125,000,000 Conversion Shares have been resolved to be allotted and issued by the Company to Mr. Lin Wan Tsang on 10 July, 8 September and 27 October 2015.

27. OBLIGATIONS UNDER FINANCE LEASES

The Group leases certain of its motor vehicle for its business operation. The lease is classified as a finance lease and has a remaining lease term of 2.5 years.

	Minimum lease payments 2015 HK$'000	Minimum lease payments 2014 HK$'000 (Restated)	**Present value of minimum lease payments 2015 HK$'000**	Present value of minimum lease payments 2014 HK$'000 (Restated)
Amounts payable:				
Within one year	**258**	258	**253**	253
In the second year	**258**	258	**245**	245
In the third to fifth years, inclusive	**129**	387	**120**	354
Total minimum finance lease payments	**645**	903	**618**	852
Future finance charges	**(27)**	(51)		
Total net finance lease payables	**618**	852		
Portion classified as current liabilities *(note 25)*	**(241)**	(234)		
Non-current portion *(note 25)*	**377**	618		

28. DEFERRED INCOME

	2015 HK$'000	2014 HK$'000 (Restated)
At 1 January	**3,721**	3,756
Grants recognised	**–**	252
Amortised as income *(note 8)*	**(315)**	(276)
Exchange realignment	**(208)**	(11)
At 31 December	**3,198**	3,721
Current portion	**(304)**	(323)
Non-current portion	**2,894**	3,398

29. DEFERRED TAX

Deferred tax assets

Deferred tax assets have been recognised in respect of temporary differences between the carrying amounts and tax bases of government grants, derivatives and provisions.

The movements in deferred tax assets are as follows:

	Government grants HK$'000	Derivatives HK$'000	Provisions HK$'000	Total HK$'000
At 1 January 2014 (Restated)	564	–	580	1,144
Charged to the statement of profit or loss and other comprehensive income *(note 13)*	(3)	392	150	539
Exchange realignment	(3)	1	(1)	(3)
At 31 December 2014 and 1 January 2015 (Restated)	558	393	729	1,680
Charged to the statement of profit or loss and other comprehensive income *(note 13)*	(47)	(316)	187	(176)
Exchange realignment	(31)	(13)	(51)	(95)
At 31 December 2015	480	64	865	1,409

The Group has tax losses arising in Hong Kong of HK$21,814,000 (2014: HK$14,208,000) that 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 these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

29. DEFERRED TAX *(continued)*

Deferred tax liabilities

The movements in deferred tax liabilities are as follows:

	Withholding taxes HK$'000	Fair value gains HK$'000	Total HK$'000
At 1 January 2014 (Restated)	1,200	697	1,897
Charged to the statement of profit or loss and other comprehensive income *(note 13)*	(310)	(691)	(1,001)
Exchange realignment	–	(6)	(6)
At 31 December 2014 and 1 January 2015 (Restated)	890	–	890
Charged to the statement of profit or loss and other comprehensive income *(note 13)*	140	–	140
At 31 December 2015	1,030	–	1,030

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 5% withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Euro Asia Packaging, the applicable rate is 10%. For the Botny Chemical, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by the subsidiary established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2015, the Group has not recognised deferred tax liabilities of HK$21,008,000 (2014: HK$14,334,000) in respect of temporary differences relating to the unremitted profits of the Group's subsidiary established in the PRC, amounting to HK$209,047,000 (2014: HK$143,336,000), that would be payable on the distribution of these profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

30. ISSUED CAPITAL

The following changes in the Company's authorised and issued share capital took place during the period from 12 September 2012 (date of incorporation) to 31 December 2015.

	Notes	Number of ordinary shares of HK$0.01	Nominal value of ordinary shares HK$
Authorised:			
On incorporation	(a)	39,000,000	390,000
Increase in authorised share capital on 20 June 2013	(b)	741,000,000	7,410,000
Increase in authorised share capital on 16 December 2014	(c)	720,000,000	7,200,000
At 31 December 2014 and 1 January 2015		1,500,000,000	15,000,000
Issued and fully paid:			
On incorporation	(a)	1	–
Capitalisation Issue credited as fully paid conditional on the share premium account of the Company, being credited as a result of the issuance of new shares to the public	(d)	299,999,999	3,000,000
Issuance of new shares on 12 July 2013	(e)	100,000,000	1,000,000
At 31 December 2013 and 1 January 2014		400,000,000	4,000,000
Share options exercised		4,865,000	48,650
At 31 December 2014 and 1 January 2015		404,865,000	4,048,650
Placing shares on 12 May 2015	(f)	49,800,000	498,000
Placing shares on 16 June 2015	(g)	41,174,000	411,740
Share options exercised		3,304,000	33,040
Convertible notes converted	(h)	125,000,000	1,250,000
At 31 December 2015		624,143,000	6,241,430

30. ISSUED CAPITAL *(continued)*

Notes:

(a) The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 12 September 2012 with an authorised share capital of HK$390,000 divided into 39,000,000 shares of HK$0.01 each, of which 1 share was issued and allotted fully paid to Reid Services Limited at par, and was transferred to Wellmass International Limited on 21 September 2012 at par.

(b) Pursuant to the written resolutions of the sole shareholder passed on 20 June 2013, the authorised share capital of the Company was increased from HK$390,000 to HK$7,800,000 by the creation of 741,000,000 additional shares of HK$0.01 each.

(c) Pursuant to the resolutions of the the extraordinary meeting held on 16 December 2014, the authorised share capital of the Company was increased from HK$7,800,000 to HK$15,000,000 by the creation of 720,000,000 additional shares of HK$0.01 each.

(d) Pursuant to the written resolutions of the sole shareholder passed on 20 June 2013, conditional on the share premium account of the Company being credited as a result of the Share Offer as defined in the Prospectus dated 28 June 2013, upon the recommendation of the Directors, the sum of HK$2,999,999.99, being part of the amount which would then be standing to the credit of the share premium account of the Company be capitalised and applied in paying up in full 299,999,999 shares to be allotted credited as fully paid at par to Wellmass International Limited (the "Capitalisation Issue").

(e) In connection with the Company's initial public offering, 100,000,000 shares of HK$0.01 each were issued at a price of HK$1.00 per share for a total cash consideration, before expenses, of approximately HK$100,000,000. Dealings in these shares on the Hong Kong Stock Exchange commenced on 13 July 2013.

(f) 49,800,000 placing shares have been successfully placed to not less than six placees at the placing price of HK$2.41 per placing share on 12 May 2015 pursuant to the placing agreement entered into by the Company on 28 April 2015.

(g) On 8 June 2015, the Company entered into the placing and subscription agreement with Wellmass and the placing agent pursuant to which Wellmass agreed to place, through the placing agent, on a best endeavour basis, up to 80,000,000 placing shares to not less than six placees at a price of HK$2.28 per placing share and Wellmass conditionally agreed to subscribe for up to the same number of new shares at the same price.

41,174,000 placing shares have been successfully placed to not less than six placees at the placing price of HK$2.28 per placing share on 9 June 2015 and 41,174,000 new shares were allotted and issued to Wellmass on 16 June 2015.

(h) On 20 May 2015, the Group acquired a 100% interest in the Topspan Group from Mr. Lin Wan Tsang, the controlling shareholder of the Company. The Topspan Group is engaged in the content filling of aerosol cans and production and sale of aerosol and non-aerosol products. The acquisition was made as part of the Group's strategy to allow the Group to capture downstream profit margins by gaining access to the downstream distribution channels. The purchase consideration aggregated to HK$900,000,000, of which HK$120,000,000 was settled by cash and HK$780,000,000 will be settled by the issue of convertible notes by the Company (the "Convertible Notes").

On 10 July, 8 September and 27 October 2015, the Company received a formal notice from the Vendor for the exercise of the conversion rights attached to the convertible notes in the amount of HK$108,000,000, HK$21,600,000 and HK$5,400,000 respectively at the Conversion Price of HK$1.08 per Conversion Share (the ''Conversion"). The portion of the convertible notes of which the conversion rights are being exercised represents approximately 17.31% of the convertible notes with a principal amount of HK$780,000,000 held by the Vendor. In accordance with the Conversion requirement, 125,000,000 Conversion Shares have been resolved to be allotted and issued by the Company to the Vendor on 10 July, 8 September and 27 October 2015.

31. SHARE OPTION SCHEME

The Company adopted a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and a share option scheme (the "Share Option Scheme"), approved by the written resolutions of the shareholders passed on 20 June 2013 (the "Resolutions").

Pre-IPO Share Option Scheme

The purpose of the Pre-IPO Share Option Scheme is to recognise and motivate the contributions that certain executive and non-executive directors, members of the senior management and other employees have made or may make to the Group. The principal terms of the Pre-IPO Share Option Scheme, approved by the Resolutions, are substantially the same as the terms of the Share Option Scheme except that:

(a) the subscription price per share under the Pre-IPO Share Option Scheme is HK$0.7;

(b) the total number of shares which may be issued upon the exercise of all share options granted under the Pre-IPO Share Option Scheme is 17,490,000 shares, representing approximately 4.19% of the total issued share capital of the Company immediately after the completion of IPO and the capitalisation issue (assuming that the over-allotment option is not exercised); and

(c) save for the share options which have been granted, no further share options will be granted under the Pre-IPO Share Option Scheme on or after the Listing Date.

All the share options under the Pre-IPO Share Option Scheme were granted on 20 June 2013 at a consideration of HK$1 paid by each participant.

The share options granted under the Pre-IPO Share Options Scheme are subject to the following vesting and exercise period:

(1) 30% of the share options shall become vested and exercisable on the 1st anniversary date of the Listing Date (the "1st Vesting Date"), and the exercise period in respect thereof shall commence on the 1st Vesting Date and end on the day immediately before the 10th anniversary date of the offer date (the "Expiration Date") (both dates inclusive).

(2) 30% of the share options shall become vested and exercisable on the 2nd anniversary date of the Listing Date (the "2nd Vesting Date"), and the exercise period in respect thereof shall commence on the 2nd Vesting Date and end on the Expiration Date (both dates inclusive).

(3) 40% of the share options shall become vested and exercisable on the 3rd anniversary date of the Listing Date (the "3rd Vesting Date"), and the exercise period in respect thereof shall commence on the 3rd Vesting Date and end on the Expiration Date (both dates inclusive).

Share options under the Pre-IPO Share Option Scheme do not confer rights on the holders to dividends or to vote at shareholders' meetings.

31. SHARE OPTION SCHEME *(continued)*

Pre-IPO Share Option Scheme *(continued)*

A summary of share option movements during the year is presented below:

	Year ended 31 December 2015 Weighted average exercise price HK$ per share	Number of share options
At beginning of year	0.7	11,965,000
Forfeited during the year	0.7	(1,504,000)
Exercised during the year	0.7	(3,304,000)
At the end of year	0.7	7,157,000

The fair value of the share options under the Pre-IPO Share Option Scheme granted was estimated at approximately HK$8,787,000 of which the Group recognised a share option expense of HK$1,117,000 during the year ended 31 December 2015 (2014: HK$3,712,000).

The fair value of the share options under the Pre-IPO Share Option Scheme granted was estimated as at the date of grant, using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

	First batch	Second batch	Third batch
Dividend yield (%)	–	–	–
Expected volatility (%)	44.81%	44.81%	44.81%
Risk-free interest rate (%)	1.883%	1.883%	1.883%
Expected life of options (year)	10	10	10
Weighted average share price (HK$ per share)	0.7	0.7	0.7

The expected life of the share options is not necessarily indicative of the exercise patterns that may occur. The expected volatility may not necessarily reflect the actual outcome.

No other feature of the share options granted was incorporated into the measurement of fair value.

3,304,000 share options were exercised during the year. The weighted average share price at the date of exercise for share options exercised during the year was HK$2.07 per share (2014: HK$1.43).

As at 31 December 2015, the Company had 7,157,000 share options outstanding under the Pre-IPO Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 7,157,000 additional ordinary shares of the Company and additional share capital of HK$71,570 and share premium of HK$7,085,430.

At the date of approval of these financial statements, the Company had 7,157,000 share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 1.19% of the Company's shares in issue as at that date.

31. SHARE OPTION SCHEME *(continued)*

Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") to the purposes of: (a) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and (b) attracting and retaining or otherwise maintaining ongoing business relationships with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group.

The board of directors (the "Board") may at its discretion grant options to eligible participants ("Eligible Participants"):

(i) any Eligible Employees. "Eligible Employees" means employees (whether full time or part time, including any executive director but excluding any non-executive Director) of the Company, any subsidiary or any entity in which the Group holds at least 20% of its issued share capital ("Invested Entity");

(ii) any non-executive directors (including independent non-executive Directors) of the Company, any subsidiary or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of any member of the Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity;

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; and

(ix) for the purposes of the Share Option Scheme, share options may be granted to any company wholly owned by one or more Eligible Participants.

The Share Option Scheme became effective on 20 June 2013 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares to be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share options granted and yet to be exercised under any other scheme of the Company shall not, in aggregate, exceed 10% of the total number of shares in issue on the Listing Date, i.e., 40,000,000 shares, and 30% of the shares of the Company in issue from time to time. The maximum number of shares issuable under share options to any Eligible Participant in the Share Option Scheme within any 12-month period up to and including the date of the grant is limited to 1% in aggregate of the shares of the Company in issue at the date of the grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

31. SHARE OPTION SCHEME *(continued)*

Share Option Scheme *(continued)*

Share options granted to a director, chief executive or a substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors, excluding the independent non-executive director who or whose associates are the grantee. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5,000,000, within any 12-month period up to and including the date of the grant, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of grant of the share options.

The exercise price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the exercise price shall be at least the highest of: (a) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the offer date, which must be a business day; (b) the average of the closing prices of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (c) the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

As at 31 December 2015 and the date of approval of these financial statements, no share option was granted and outstanding under the Share Option Scheme.

32. RESERVES

(i) The amounts of the Group's reserves and the movements therein for the current year and the prior year are presented in the consolidated statement of changes in equity on pages 43 to 44 of the financial statements.

(ii) In accordance with the PRC Company Law, the PRC subsidiary of the Group is required to allocate 10% of its profit after tax to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of the registered capital of the PRC subsidiary. Subject to certain restrictions set out in the PRC Company Law, part of the SSR may be converted to increase paid-up capital/issued capital of the PRC subsidiary, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital. The SSR of the PRC subsidiary attributable to the parent was HK$47,023,000 and HK$56,039,000 as at 31 December 2014 and 2015, respectively.

33. BUSINESS COMBINATION UNDER COMMON CONTROL

On 20 May 2015, the Group acquired a 100% interest in the Topspan Group from Mr. Lin Wan Tsang, the controlling shareholder of the Company. The Topspan Group is engaged in the content filling of aerosol cans and production and sale of aerosol and non-aerosol products. The acquisition was made as part of the Group's strategy to allow the Group to capture downstream profit margins by gaining access to the downstream distribution channels. The purchase consideration aggregated to HK$900,000,000, of which HK$120,000,000 was settled by cash and HK$780,000,000 was settled by the issue of convertible notes by the Company (the "Convertible Notes"). Since the Group and Topspan Group were ultimately controlled by Mr. Lin Wan Tsang both before and after the completion of the acquisition transaction and the control is not transitory. The acquisition transaction was considered as a common control combination and accounted for using the method of pooling of interest.

The operating results previously reported by the Group for the year ended 31 December 2014 have been restated to include the operating results of the Topspan Group as set our below:

	The Group (as previously reported) HK$'000	Topspan Group HK$'000	Elimination HK$'000	The Group (as restated) HK$'000
Revenue	239,384	585,745	(72,444)	752,685
Profit before tax	34,025	62,915	–	96,940
Profit for the year	28,656	53,044	–	81,700

The financial positions previously reported by the Group at 31 December 2014 and 1 January 2014 have been restated to include the assets and liabilities of the Topspan Group as set out below:

31 December 2014 (Restated)	The Group (as previously reported) HK$'000	Topspan Group HK$'000	Elimination HK$'000	The Group (as restated) HK$'000
Non-current assets	231,189	165,639	–	396,828
Current assets	209,483	112,398	(2,364)	319,517
Current liabilities	90,415	193,573	(2,364)	281,624
Non-current liabilities	25,072	–	–	25,072
Equity	325,185	84,464	–	409,649
1 January 2014				
Non-current assets	240,456	28,990	–	269,446
Current assets	207,581	225,750	(125)	433,206
Current liabilities	97,992	164,343	(125)	262,210
Non-current liabilities	47,102	662	–	47,764
Equity	302,943	89,735	–	392,678

34. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its staff quarters and office premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

At 31 December 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015 **HK$'000**	2014 HK$'000 (Restated)
Within one year	**821**	537
In the second to third years, inclusive	**302**	8
	1,123	545

35. COMMITMENTS

The Group had the following capital commitments as at 31 December 2015:

	2015 **HK$'000**	2014 HK$'000 (Restated)
Contracted, but not provided for:		
Plant and machinery	**37,135**	9,155

36. CONTINGENT LIABILITIES

The Group had no significant contingent liability as at 31 December 2015 and 2014.

37. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

(1) Recurring transactions

	Notes	**2015 HK$'000**	2014 HK$'000 (Restated)
Sales of products to:			
Euro Asia Aerosol	*(i)*	**3,881**	2,144
European Asia Industrial Ltd. ("European Asia Industrial")	*(i)*	**2,024**	14,765
Botny Car Maintenance Company (保賜利養車坊) ("Botny Car")	*(i)*	**–**	21
Botny Car Service Management Company (廣州市保賜利汽車服務管理有限公司) ("Botny Car Management")	*(i)*	**224**	–
Total		**6,129**	16,930
Purchase of products from:			
Euro Asia Aerosol	*(i)*	**15,668**	2,746
European Asia Industrial	*(i)*	**–**	2,305
Total		**15,668**	5,051
Sale of trademarks to:			
China Motor Management Services Limited	*(i)*	**–**	1,420

	Notes	**2015 HK$'000**	2014 HK$'000 (Restated)
Operating lease rental expenses charged by:			
Euro Asia Aerosol	*(ii)*	**–**	1,752
Mr. Lin Wan Tsang *	*(ii)*	**96**	96
Total		**96**	1,848

* The director of the Company

37. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(1) Recurring transactions *(continued)*

Notes:

(i) Euro Asia Aerosol, European Asia Industrial, Botny Car, Botny Car Management and China Motor Management Services Limited are fellow subsidiaries of the Company. The sales and purchases between the companies were made on prices and conditions as mutually agreed.

(ii) The operating lease rental expenses charged by Mr. Lin Wan Tsang and Euro Asia Aerosol were determined based on the underlying contracts as agreed between the Group and Mr. Lin Wan Tsang or Euro Asia Aerosol.

(2) Non-recurring transactions

	2015 **HK$'000**	2014 HK$'000 (Restated)
Bank loans guaranteed by:		
Mr. Lin Wan Tsang	–	7,053
Mr. Lin Wan Tsang and Euro Asia Aerosol	–	26,944
	–	33,997

	2015 **HK$'000**	2014 HK$'000 (Restated)
Undrawn banking facilities guaranteed by:		
Mr. Lin Wan Tsang	–	18,300
Mr. Lin Wan Tsang and Euro Asia Aerosol	**40,927**	5,363
	40,927	23,663

Mr. Lin Wan Tsang has guaranteed certain banking facilities to the Group of nil as at 31 December 2015 (2014: HK$25,353,000).

All of the above related parties were companies ultimately controlled by the Controlling Shareholder. The transactions were conducted on terms and conditions mutually agreed between the relevant parties. The directors are of the opinion that those related party transactions were conducted in the ordinary course of business of the Group.

37. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(3) Commitments with related parties

On 31 December 2012, a subsidiary of the Group entered into a three-year agreement ended 31 December 2015 with Mr. Lin Wan Tsang to rent an office for the Group's operation in Hong Kong. The rental agreement has been renewed to 31 December 2018, with the same conditions and rental amounts.

(4) Compensation of key management personnel of the Group, including directors' remuneration as detailed in note 11 above:

	2015 **HK$'000**	2014 HK$'000 (Restated)
Fees	**2,161**	2,161
Salaries, allowances and benefits in kind	**4,255**	3,040
Equity-settled share option expenses	**1,276**	2,599
Pension scheme contributions	**220**	220
Total compensation paid to key management personnel	**7,912**	8,020

The related party transactions in respect of items 1 and 2 above also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

38. 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:

	2015			2014 (Restated)		
Financial assets	**Loans and receivables HK$'000**	**Financial assets at fair value through profit or loss HK$'000**	**Total HK$'000**	Loans and receivables HK$'000	Financial assets at fair value through profit or loss HK$'000	Total HK$'000
Trade and bills receivables	**69,416**	**–**	**69,416**	83,077	–	83,077
Trade receivables due from related parties	**2,435**	**–**	**2,435**	339	–	339
Financial assets included deposits and other receivables	**4,467**	**–**	**4,467**	1,856	–	1,856
Pledged deposits	**8,447**	**–**	**8,447**	11,942	–	11,942
Cash and cash equivalents	**179,551**	**–**	**179,551**	105,319	–	105,319
	264,316	**–**	**264,316**	202,533	–	202,533

38. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

Financial liabilities	2015 Financial liabilities at amortised cost HK$'000	2015 Financial liabilities at fair value through profit or loss HK$'000	2015 Total HK$'000	2014 (Restated) Loans and receivables HK$'000	2014 (Restated) Financial liabilities at fair value through profit or loss HK$'000	2014 (Restated) Total HK$'000
Trade and bills payables	62,808	–	62,808	95,415	–	95,415
Financial liabilities included in other payables and accruals	13,747	–	13,747	13,207	–	13,207
Derivative financial instruments	–	424	424	–	2,617	2,617
Interest-bearing bank borrowings	61,084	–	61,084	140,970	–	140,970
	137,639	424	138,063	249,592	2,617	252,209

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

At 31 December 2015 and 31 December 2014, the fair values of the Group's financial assets and financial liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposits, trade and bills receivables, derivative financial instruments, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their respective carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are 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 Group enters into derivative financial instruments with a bank, a financial institution with an AAA credit rating. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values.

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities measured at fair value:

As at 31 December 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Derivative financial instruments	–	424	–	424

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2014: Nil).

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank borrowings and amounts due from related parties, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, bills receivable, other receivables, trade payables, and other payables, which arise directly from its operations.

The Group also enters into derivative transactions, including forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The contractual interest rates and terms of repayment of the interest-bearing bank borrowings of the Group are set out in note 25 above.

The following table demonstrates the sensitivity to a reasonably possible change in the PBOC base rate and LIBOR, with all other variables held constant, of the Group's profit before tax (through the impact of floating rate borrowings) during the year.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax
	%	HK$'000
As at 31 December 2015		
PBOC base rate	**0.25**	**(144)**
LIBOR	**0.25**	**(8)**
PBOC base rate	**(-0.25)**	**144**
LIBOR	**(-0.25)**	**8**
As at 31 December 2014 (Restated)		
PBOC base rate	0.25	(210)
LIBOR	0.25	(93)
PBOC base rate	(-0.25)	210
LIBOR	(-0.25)	93

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales in currencies other than the units' functional currencies. Approximately 32% and 38% of the Group's sales were denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 62% and 58% of inventory costs were denominated in the units' functional currencies for the years ended 31 December 2015 and 2014, respectively. The Group uses forward currency contracts to manage currency risk.

The following table demonstrates the sensitivity at the end of each reporting period to a reasonably possible change in the US$ exchange rate and HK$ exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Increase/ (decrease) in US$ rate %	Increase/ (decrease) in profit before tax HK$'000	Increase/ (decrease) in equity* HK$'000
As at 31 December 2015			
If RMB weakens against US$	**5**	**5,832**	**4,957**
If RMB strengthens against US$	**(5)**	**(5,832)**	**(4,957)**
If RMB weakens against HK$	**5**	**–**	**(31,868)**
If RMB strengthens against HK$	**(5)**	**–**	**31,868**
As at 31 December 2014 (Restated)			
If RMB weakens against US$	5	6,440	5,474
If RMB strengthens against US$	(5)	(6,440)	(5,474)
If RMB weakens against HK$	5	–	(27,223)
If RMB strengthens against HK$	(5)	–	27,223

* Excluding retained profits

Credit risk

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.

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents, pledged deposits, and financial assets included in prepayments, deposits and other receivables arise from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets.

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. The Group had certain concentrations of credit risk as 23% and 30% of the Group's trade and bills receivables were due from the Group's certain customers with the top five balances as at 31 December 2015 and 2014, respectively.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding through capital contribution and financial support from related parties and bank borrowings.

The maturity profile of financial liabilities as at 31 December 2015 and 2014, based on the contractual undiscounted payments, was as follows:

	As at 31 December 2015			
	On demand HK$'000	Less than 1 year HK$'000	Over 1 year HK$'000	Total HK$'000
Trade and bills payables	–	62,316	492	62,808
Financial liabilities included in other payables and accruals	–	13,747	–	13,747
Interest-bearing bank borrowings	–	41,282	19,802	61,084
	–	117,345	20,294	137,639

	As at 31 December 2014 (Restated)			
	On demand HK$'000	Less than 1 year HK$'000	Over 1 year HK$'000	Total HK$'000
Trade and bills payables	–	95,126	289	95,415
Financial liabilities included in other payables and accruals	–	13,207	–	13,207
Interest-bearing bank borrowings	–	120,186	20,784	140,970
	–	228,519	21,073	249,592

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 light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2015 and 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt is calculated as interest-bearing bank borrowings, trade and bills payables, financial liabilities included in other payables and accruals less cash and cash equivalents and pledged deposits. Capital represents equity attributable to owners of the company. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios at the end of each reporting period are as follows:

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management *(continued)*

	2015 HK$'000	2014 HK$'000 (Restated)
Interest-bearing bank borrowings	61,084	140,970
Trade and bills payables	62,808	95,415
Financial liabilities included in other payables and accruals	13,747	13,207
Less: Cash and cash equivalents and pledged deposits	(187,998)	(117,261)
Net debt	(50,359)	132,331
Equity attributable to owners of the company	530,732	405,624
Capital and net debt	480,373	537,955
Gearing ratio	(10%)	25%

41. COMPARATIVE AMOUNTS

As further explained in note 3 to the financial statements, due to the implementation of the Hong Kong Companies Ordinance (Cap. 622) during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been restated to conform with the current year's presentation and disclosures.

42. 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:

	2015 HK$'000	2014 HK$'000 (Restated)
NON-CURRENT ASSETS		
Investments in subsidiaries	–	–
Total non-current assets	–	–
CURRENT ASSETS		
Prepayments	35	20,035
Amounts due from subsidiaries	1,050,439	52,727
Cash and cash equivalents	1,449	2,590
Total current assets	1,051,923	75,352
CURRENT LIABILITIES		
Accruals	989	789
NET CURRENT ASSETS	1,050,934	74,563
Net assets	1,050,934	74,563
EQUITY		
Issued capital	6,241	4,049
Reserves	385,962	61,614
Equity component of convertible notes	645,000	–
Proposed final dividend	13,731	8,900
Total equity	1,050,934	74,563

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Equity component of convertible bond HK$'000	Proposed final dividend HK$'000	Total HK$'000
As at 31 December 2014 and 1 January 2015 (Restated)	72,177	5,054	(15,617)	–	8,900	70,514
Total comprehensive income for the year	–	–	2,429	–	–	2,429
Equity component of convertible notes	–	–	–	780,000	–	780,000
Exercise the conversion rights attached to the convertible notes	133,750	–	–	(135,000)	–	(1,250)
Placing shares	199,606	–	–	–	–	199,606
Exercise of share options	4,005	(1,725)	–	–	–	2,280
Equity-settled share option arrangements	–	1,117	–	–	–	1,117
Final 2014 dividend declared	(1,103)	–	–	–	(8,900)	(10,003)
Proposed final 2015 dividend	(13,731)	–	–	–	13,731	–
As at 31 December 2015	394,704	4,446	(13,188)	645,000	13,731	1,044,693

	Share premium account HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Proposed final dividend HK$'000	Total HK$'000
As at 31 December 2013 and 1 January 2014 (Restated)	76,254	2,811	(17,453)	12,000	73,612
Total comprehensive income for the year	–	–	1,836	–	1,836
Transfer of share option reserve upon the forfeiture and expiry of share options	7	(7)	–	–	–
Exercise of share options	4,816	(1,462)	–	–	3,354
Equity-settled share option arrangements	–	3,712	–	–	3,712
Final 2013 dividend declared	–	–	–	(12,000)	(12,000)
Proposed final 2014 dividend	(8,900)	–	–	8,900	–
As at 31 December 2014 (Restated)	72,177	5,054	(15,617)	8,900	70,514

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2016.

Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is as follows.

RESULTS

	Year ended 31 December				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)			
Revenue	**693,677**	752,685	260,311	273,923	237,124
Profit before tax	**97,450**	96,940	48,636	49,297	36,177
Income tax expense	**(18,155)**	(15,240)	(10,581)	(8,433)	(6,114)
Profit for the year	**79,295**	81,700	38,055	40,864	30,063
Profit attributable to:					
Owners of the Company	**78,954**	81,130	37,343	38,273	25,129
Non-controlling interests	**341**	570	712	2,591	4,934
	79,295	81,700	38,055	40,864	30,063

Financial Summary

ASSETS AND LIABILITIES

	As at 31 December				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)		
Total assets	**726,760**	716,345	702,652	310,002	353,017
Total liabilities	**192,099**	306,696	309,974	146,433	181,071
	534,661	409,649	392,678	163,569	171,946
Equity					
Equity attributable to owners of the Company	**530,732**	405,624	389,050	161,328	150,281
Non-controlling interests	**3,929**	4,025	3,628	2,241	21,665
	534,661	409,649	392,678	163,569	171,946

Note:

The summary of the consolidated results of the Group for each of the three years ended 31 December 2013 and the assets and liabilities as at 31 December 2011 and 2012 have not been restated to inculcate the effect of the Acquisition as the Directors are of the opinion that it is impracticable to do so.