MANFIELD

Manfield Chemical Holdings Limited
萬輝化工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1561

2015 ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yuen Shu Wah
Mr. Ko Jack Lum
Mr. Ng Kai On

Non-Executive Directors

Dato' Wong Peng Chong
Mr. Kong Muk Yin

Independent Non-Executive Directors

Dr . Chui Hong Sheung, JP
Mr. Cheung Chi Wai Vidy
Mr. Yue Kwai Wa Ken

AUDIT COMMITTEE

Mr. Yue Kwai Wa Ken *(Chairman)*
Dr. Chui Hong Sheung, JP
Mr. Cheung Chi Wai Vidy

NOMINATION COMMITTEE

Mr. Yuen Shu Wah *(Chairman)*
Mr. Ko Jack Lum
Dr. Chui Hong Sheung, JP
Mr. Cheung Chi Wai Vidy
Mr. Yue Kwai Wa Ken

REMUNERATION COMMITTEE

Mr. Cheung Chi Wai Vidy *(Chairman)*
Mr. Yuen Shu Wah
Mr. Ko Jack Lum
Dr. Chui Hong Sheung, JP
Mr. Yue Kwai Wa Ken

COMPANY SECRETARY

Mr. Kong Muk Yin

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISERS

As to Hong Kong law
Robertsons

As to PRC law
ETR Law Firm

As to Cayman Islands law
Conyers Dill & Pearman

COMPLIANCE ADVISER

Altus Capital Limited

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
China Merchants Bank, Songgang branch
Bank of China, Zengcheng branch
Agricultural Bank of China, Zhongxin branch

REGISTERED OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Block L
9th Floor, On Wah Industrial Building
41–43 Au Pui Wan Street
Fo Tan, Shatin
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

1561

WEBSITE

http://www.irasia.com/listco/hk/manfield/

On behalf of the board of Directors (the "Board") of Manfield Chemical Holdings Limited (the "Company"), I have the pleasure to present the financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015.

RESULTS AND FINANCIAL OVERVIEW

The Group is a manufacturer of industrial coatings in the forms of customized liquids and powders. It principally supplies customized coatings to manufacturers of toys and consumer electronics.

For the year ended 31 December 2015, the Group's revenue edged up approximately 1.1% to HK$331,572,000 (2014: HK$328,047,000) compared with that for the previous year, primarily due to an increase in the sales of liquid coatings. Gross profit increased by approximately 3.5% to HK$95,627,000 (2014: HK$92,369,000). The gross profit margin remained stable at 28.8% compared with 28.2% for the previous year.

For the year ended 31 December 2015, profit attributable to the owners of the Company increased by approximately 6.9% to HK$44,305,000 (2014: HK$41,431,000). Without listing expenses of HK$7,264,000 (2014: HK$12,400,000), the Group would have generated a profit of HK$51,569,000 (2014: HK$53,831,000) representing an approximately 4.2% decrease compared with that for the previous year, primarily due to a decrease of share of profits of an associate.

Basic earnings per share for the year ended 31 December 2015 was HK9.6 cents (2014: HK9.2 cents).

The Group's net asset value per share as at 31 December 2015 was HK$1.04.

FINAL DIVIDEND

During the year ended 31 December 2015 (prior to the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited on 1 December 2015 ("Listing")), a dividend of HK$20,000,000 (2014: HK$10,000,000) was distributed by Rookwood Investments Limited ("Rookwood Investments") to its then shareholders.

The Directors recommend the payment of a final dividend of HK$0.025 per share for the year ended 31 December 2015 amounting to approximately HK$15,000,000 payable to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 4 July 2016.

CLOSURE OF REGISTER OF MEMBERS

(i) For determining the eligibility of the shareholders of the Company to attend and vote at the annual general meeting or any adjournment of such meeting:

The annual general meeting of the Company (the "Annual General Meeting") is scheduled to be held on Thursday, 23 June 2016. For determining the eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 21 June 2016 to Thursday, 23 June 2016, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, no later than 4:30 p.m. on Monday, 20 June 2016.

(ii) For determining the entitlement of shareholders of the Company to the proposed final dividend:

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 29 June 2016 to Monday, 4 July 2016, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, no later than 4:30 p.m. on Tuesday, 28 June 2016. The record date for such purpose is Monday, 4 July 2016.

Upon approval by the shareholders of the Company at the Annual General Meeting the relevant dividend warrants of the proposed final dividend are expected to be despatched on or about Monday, 25 July 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The year 2015 was full of challenges to the coating industry because of stiff competition and the economic slowdown in the world, and notably in the PRC. To cope with the competition and tight profit margins, the Group endeavoured to improve its product portfolio and control cost to sustain its business growth.

The Group manufactures a range of industrial coatings, including liquid coatings (encompassing a variety of products which are water-based and solvent-based, such as stoving enamels, plastic coatings and inks, etc.) and powder coatings. During the year, sales of liquid coatings rose by approximately 4.3% to HK$271,927,000 (2014: HK$260,615,000) and accounted for approximately 82.0% (2014: 79.4%) of the Group's total revenue. The growth was mainly attributable to an increase in revenue from sales to consumer electronics industries. On the other hand, sales of powder coatings amounting to HK$28,916,000 (2014: HK$35,606,000) decreased while subcontracting fee income amounting to HK$30,729,000 (2014: HK$31,826,000) remained stable compared with the previous year.

During the year, costs of raw materials and labour accounted for most of the cost of sales and services. Raw materials of our coatings can be broadly categorised into four major groups, namely solvent, resin, pigment and additives, whose costs are subject to crude oil price fluctuations. In 2015, cost of solvent dropped slightly while the costs of other raw materials remained stable. However, during the year the Group has been affected by higher labour cost which is subject to the minimum wage regulations of the PRC and the depreciation costs resulting since the commencement of operations the coating plant of Springfield Chemical (Guangzhou) Company Limited ("Springfield"), a wholly-owned subsidiary of the Company. Despite the above adverse conditions, the Group has continued with its stringent cost control and maintained the overall cost of sales and services at HK$235,945,000 (2014: HK$235,678,000) at a stable level compared to that for the previous year.

The Group now operates two coating plants separately through its two wholly-owned subsidiaries, namely Springfield in Guangzhou and Shenzhen Pinefield Chemical Enterprises Company Ltd in Shenzhen. It also runs another coating plant through a non-wholly owned subsidiary in Changzhou, Manfield Teknos (Changzhou) Chemical Company Limited.

In 2015, phase one of Springfield's coating plant was operating which has allowed the Group more flexibility to allocate its production capacity to match the expected growth in demand from the consumer electronics and automobile industries, especially the anticipated increase in the demand for auto-finishing coatings. The Group will be able to achieve economies of scales and provide its high-quality services for the customers promptly.

Moreover, Springfield was awarded the status of a "High and New Tech Enterprise" by Guangdong provincial government in recognition of the Group's innovation and efforts in research and development. As a result, Springfield is entitled to a lower corporate tax rate of 15% effective from the fiscal year 2015 (compared with the standard corporate tax rate of 25%). This may be conducive to its business growth in the coming years.

In addition to its subsidiaries, the Group also holds a 45% equity interest in CMW Holding Limited ("CMW"), an associate primarily engaged in the importing, distributing, manufacturing and marketing of non-stick and high temperature decorative coatings and coatings for mobile phones. For the year ended 31 December 2015, revenue of CMW and the Group's share of profit derived from the equity stake in CMW amounted to HK$646,916,000 (2014: HK$644,492,000) and HK$24,332,000 (2014: HK$29,051,000) respectively. During the year, revenue of CMW rose slightly but was offset by the significant increase in operating expenses such as labour costs.

USE OF NET PROCEEDS FROM LISTING

The Company was listed on the Main Board of the Stock Exchange on 1 December 2015 and received net proceeds of approximately HK$119.9 million from the placing and public offer of its shares in December 2015 after the underwriting commissions and all related expenses were deducted.

Out of the net proceeds, the Group had used HK$20.0 million as repayment to a bank overdraft and approximately HK$2.9 million for general working capital purpose. The Directors consider that the unused proceeds of approximately HK$97.0 million are to be applied in accordance with the proposed applications as set out in the section headed "Use of proceeds" in the prospectus dated 17 November 2015 issued by the Company ("Prospectus"). The Directors are not aware of any material change to the planned use of the proceeds as at the date of this report.

FINANCIAL RESOURCES, BORROWINGS, CAPITAL STRUCTURE AND EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES

As at 31 December 2015, the Group's non-current assets of HK$334,848,000 (2014: HK$348,908,000) consisted of property, plant and equipment of HK$119,902,000 (2014: HK$135,054,000), prepaid lease payments of HK$29,603,000 (2014: HK$32,306,000), interest in an associate of HK$180,387,000 (2014: HK$179,567,000), deferred tax assets of HK$162,000 (2014: HK$162,000), derivative financial instruments of HK$1,638,000 (2014: HK$965,000) and deposits to purchase of property, plant and equipment and prepaid lease payments of HK$3,156,000 (2014: HK$854,000). These non-current assets are principally financed by the Group's shareholders' funds. As at 31 December 2015, the Group's net current assets increased to HK$306,980,000 (2014: HK$147,723,000). The increase in bank balances and cash as at 31 December 2015 was mainly attributable to the proceeds received from the Listing.

As at 31 December 2015, the Group has no bank borrowing (2014: HK$2,535,000).

As at 31 December 2015, the Group's leasehold land and buildings situated in Hong Kong amounting to HK$4,638,000 (2014: HK$4,802,000), were pledged to a bank for general banking facilities granted to the Group.

The Group's operations are mainly located in the PRC and its transactions, related working capital and borrowing are primarily denominated in Renminbi and Hong Kong Dollars. The Group will closely monitor its foreign exchange exposure and will consider hedging significant currency exposure should the need arises.

As at 31 December 2015, the Group had capital commitment contracted for but not provided — acquisition of property, plant and equipment of HK$1,263,000 (2014: HK$1,319,000) and other commitment contracted for but not provided — proposed purchase of land of HK$8,728,000 (2014: HK$3,415,000).

As at 31 December 2015, the Group did not have any material contingent liabilities.

EMPLOYEES

The Group had 722 employees (2014: 720) as at 31 December 2015. The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

PROSPECTS AND STRATEGIES

In 2016, the economy of China and the rest of the world is expected to maintain moderate growth. In the coating industry, competition is likely to stay intense. The Group anticipates challenges ahead but it believes that wherever there is a challenge, there is an opportunity. It is preparing for them so as to grasp opportunities for tremendous growth in the long term.

To stay competitive and distinguish itself from other competitors, the Group will keep abreast of the changes in the market and industry and will acquire more advanced coating technology. Internally, we will further strengthen our research and development of products and adopt different strategies to cater for different market segments. For instance, the Group will maintain close working relationships with the current customers in the toy industry and coordinate with them to explore new markets. It will also cooperate with branded consumer electronics manufacturers in developing new products. In the automobile industry, the Group has spotted an opportunity presented by the low market penetration of auto-finishing coatings. As there is potential for huge growth in demand for this kind of coatings, the Group will endeavor to enlarge its market share.

To meet the needs of business expansion, the Group plans to further increase production capacity of its existing coating plants, as mentioned in our Prospectus. Specifically, it started the design work on the construction of the phase two of Springfield's coating plant in the fourth quarter of 2015. It is expected that the construction work of a warehouse and a coating plant will be carried out in the second half of 2016. The Group will take advantage of the new advanced technology and the greater production capacity there.

Furthermore, the Group, together with CMW joint venture partners will endeavor to improve the efficiency and profitability of CMW, which is a major contributor to the Group's profit. In view of the declining demand for mobile phones, which leads to a shrinking demand for related non-stick and high temperature decorative coatings and more intense market competition, CMW intends to diversify CMW's product portfolio and explore new markets in order to improve profitability.

APPRECIATION

On behalf of the Board, I would like to extend my whole-hearted thanks to our shareholders for their continued support and to our staff for their contribution to the Group during the year.

Yuen Shu Wah
Chairman

Hong Kong, 23 March 2016

EXECUTIVE DIRECTORS

Mr. Yuen Shu Wah, aged 66, one of the co-founders of our Group, was appointed as an executive director of the Company since 14 April 2014 and has been re-designated as executive director and chairman of the Company since 12 June 2014. Mr. Yuen is responsible for the overall strategic planning and corporate policies formulation of our Group. He is also responsible for sales and market strategies.

Mr. Yuen was graduated from The University of Hong Kong with a first class honours bachelor degree in science general and obtained a master degree in chemical engineering from The University of Wales, United Kingdom. Mr. Yuen has been engaged in the industrial coating industry since February 1976.

Mr. Yuen is the chairman of the Gratia Foundation Limited. He is also the approved first supervisor of the Gratia College in Hong Kong in July 2013. Mr. Yuen has been a member of the Board of Governors of Gratia Christian College since July 2015. Mr. Yuen has served as a trustee of the Incorporated Trustees of Peace Evangelical Centre since 1995. He was awarded Honorary Citizen of Guangzhou (廣州市榮譽市民) in November 2012.

Mr. Yuen was an executive director of Landing International Development Limited (formerly known as Greenfield Chemical Holdings Limited) from October 2001 to October 2007.

Mr. Ko Jack Lum, aged 79, the co-founder, was appointed as executive director and chief executive officer of the Company on 12 June 2014. He is responsible for project management, including monitoring the operation of company projects, tendering submissions and reviewing project costs and budget. He is also responsible for the production and technical aspects of our products. Mr. Ko was graduated from The National Cheng Kung University (國立成功大學, formerly known as the Taiwan Provincial Cheng Kung University (臺灣省立成功大學)) with a bachelor degree in chemical engineering . Mr. Ko possesses over 50 years of experience in the coating industry.

Mr. Ko was an executive director of Landing International Development Limited (formerly known as Greenfield Chemical Holdings Limited) from October 2001 to October 2007.

Mr. Ng Kai On, aged 55, was appointed as an executive director of the Company on 12 June 2014. He is responsible for accounting and financial control of our Group. He was graduated from The Open University of Hong Kong with a bachelor degree in business administration and a master degree of business administration. Mr. Ng possesses over 20 years of experience in financial and managerial matters.

Mr. Ng was an executive director of Landing International Development Limited (formerly known as Greenfield Chemical Holdings Limited) from October 2001 to November 2007.

NON-EXECUTIVE DIRECTORS

Dato' Wong Peng Chong, aged 72, was appointed as a non-executive director of the Company on 12 June 2014. Dato' Wong is an executive director of China Medical & HealthCare Group Limited (formerly known as COL Capital Limited). He is also a director of Mabuhay Holdings Corporation and IRC Properties, Inc., companies listed in The Philippine Stock Exchange, Inc., and Asia Development Capital Co., Ltd., a company listed in The Tokyo Stock Exchange, Inc..

Upon his graduation from the University of Malaya in 1967, Dato' Wong joined the Malaysian Foreign Service and served with several Malaysian diplomatic missions overseas in various capacities. He joined the private sector in 1985 and has served in various senior management positions, including executive directorships in public listed companies, in Hong Kong and Malaysia. He was the vice-president of Alibaba Pictures Group Limited from 4 July 2007 to 9 December 2009. He was also an executive director of Landing International Development Limited (formerly known as Greenfield Chemical Holdings Limited) from 13 October 2009 to 21 January 2010.

Mr. Kong Muk Yin, aged 50, was appointed as non-executive director and company secretary of the Company on 12 June 2014. He is an executive director of China Medical & HealthCare Group Limited (formerly known as COL Capital Limited). From 4 November 2009 to 1 March 2016, he was an executive director of APAC Resources Limited. From 4 July 2007 to 24 June 2014, he was also an executive director and non-executive director of Alibaba Pictures Group Limited. He was an executive director of Landing International Development Limited (formerly known as Greenfield Chemical Holdings Limited) from 13 October 2009 to 21 January 2010. During September 2010 to September 2015, he was also a director of Mabuhay Holdings Corporation and IRC Properties, Inc., companies listed in The Philippine Stock Exchange, Inc..

Mr. Kong was graduated from City University of Hong Kong with a bachelor's degree in business studies. He is a fellow member of The Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst and he has extensive experience in corporate finance, financial management, accounting and auditing.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Chui Hong Sheung, JP, aged 66, was appointed as an independent non-executive director of the Company on 6 November 2015. Dr. Chui is the president of Gratia Christian College, a degree awarding institute registered under the Post Secondary Colleges Ordinance (Chapter 320 of the Laws of Hong Kong) since July 2015. He was graduated from The University of Hong Kong with a bachelor degree in science general. Dr. Chui obtained a master degree in arts (education) from The Chinese University of Hong Kong and a doctor of philosophy degree from The University of New South Wales.

For the past 20 years, Dr. Chui has taken up various roles in different organisations such as Standing Committee of Disciplined Services Salaries and Conditions of Service and the HKSAR Buildings Appeal Tribunal Panel. Dr. Chui received the Badge of Honour conferred by the government of Hong Kong in January 1991. Dr. Chui is a Justice of Peace since July 2007.

Dr. Chui was the principal of Shun Tak Fraternal Association Lee Shau Kee College. From December 1996 to June 2013, he was also the president of Hang Seng School of Commerce and Hang Seng Management College and the president emeritus of Hang Seng Management College. Dr. Chui was an independent non-executive director of Landing International Development Limited (formerly known as Greenfield Chemical Holdings Limited) from August 2004 to September 2010.

Mr. Cheung Chi Wai Vidy, aged 56, was appointed as an independent non-executive director of the Company on 6 November 2015. Mr. Cheung was graduated from University of West London (formerly known as Ealing College of Higher Education) with a bachelor degree of laws. Mr. Cheung was admitted as a Barrister-at-law of England in November 1984 and as a Barrister-at-law of Hong Kong in May 1986. Mr. Cheung worked in the then Legal Department and the Department of Justice of the Government of Hong Kong as a crown counsel, senior crown counsel and senior government counsel respectively for the period from November 1985 to September 2009.

Mr. Cheung was an independent non-executive director of Eagle Legend Asia Limited (formerly known as Manta Holdings Company Limited) from June 2010 to April 2012.

Mr. Yue Kwai Wa Ken, aged 50, was appointed as an independent non-executive director of the Company on 6 November 2015. Mr. Yue is an executive director and company secretary of Roma Group Limited. He is also an independent non-executive director of China Starch Holdings Limited and Major Holdings Limited.

Mr. Yue was graduated from the British Columbia Institute of Technology in Canada with a diploma of technology in financial management accounting option and also obtained a bachelor degree of science from Upper Iowa University of the United States. He was a member of the American Institute of Certificate Public Accountants and a fellow member of the Colorado State Society of Certified Public Accountants. He was also an ordinary member of the Hong Kong Securities Institute. Mr. Yue has over 20 years of experience in accounting, auditing, corporate finance, business development, financial management, corporate advisory and valuation.

From August 2004 to January 2006, Mr. Yue was an independent non-executive director of Loulan Holdings Limited. He was also an executive director of Legend Strategy International Holdings Group Company Limited from July 2014 to November 2014.

The directors of the Company (the "Director(s)") present their annual report and the audited consolidated financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements. Details and respective analysis of the main business segments of the Group during the year are set out in note 5 to the consolidated financial statements.

Further discussion and analysis as required by Schedule 5 to the Hong Kong Companies Ordinance can be found in the section of "Chairman's Statement" of this Annual Report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2015 are set out in the consolidated statement of profit or loss on page 24.

During the year ended 31 December 2015 (prior to the Listing), a dividend of HK$20,000,000 (2014: HK$10,000,000) was distributed by Rookwood Investments to its then shareholders.

The Directors recommend the payment of a final dividend of HK$0.025 per share for the year ended 31 December 2015 amounting to approximately HK$15,000,000 payable to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 4 July 2016.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 23 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 12 to the consolidated financial statements.

DIRECTORS AND SERVICE CONTRACTS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Yuen Shu Wah *(Chairman)*
Mr. Ko Jack Lum
Mr. Ng Kai On

Non-executive Directors:

Dato' Wong Peng Chong
Mr. Kong Muk Yin

Independent Non-Executive Directors:

Dr. Chui Hong Sheung, JP
Mr. Cheung Chi Wai Vidy
Mr. Yue Kwai Wa Ken

In accordance with the articles of association of the Company (the "Articles of Association"), Mr. Yuen Shu Wah, Mr. Ko Jack Lum, Mr. Ng Kai On, Dato' Wong Peng Chong, Mr. Kong Muk Yin, Dr. Chui Hong Sheung, JP, Mr. Cheung Chi Wai Vidy and Mr. Yue Kwai Wa Ken will retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

On 10 September 2012, the Group entered into a sale and purchase agreement with a company owned by Mr. Yuen Shu Wah to acquire two pieces of land located in the PRC at an aggregate cash consideration of RMB3,367,000 (equivalent to HK$4,154,000). Deposit of RMB673,000 (equivalent to HK$831,000) was paid during the year ended 31 December 2012. The remaining balance of RMB2,694,000 was included as commitment as at 31 December 2014 and 2015, equivalent to HK$3,415,000 and HK$3,216,000 respectively. The purchase of these two pieces of land had not yet been completed up to 31 December 2015.

Save as disclosed above, no contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 December 2015, the interests and short positions of the Directors and the chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Hong Kong (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Interest in associated corporation

Name of associated corporation	Name of Director	Capacity	Number of shares held	Percentage of issued share capital of the Company
Guang Ming Holdings Limited ("Guang Ming")	Mr. Yuen Shu Wah ("Mr. Yuen")	Beneficial Owner	2,865 shares (L) (Note 1)	28.65%
	Mr. Ko Jack Lum ("Mr. Ko")	Beneficial Owner	1,550 shares (L) (Note 2)	15.5%

L — represent the entity/individual's long position in the shares of the Company

Notes:

1. Guang Ming, the ultimate holding company of the Company. Mr. Yuen has associated corporation interest in long position of 2,865 ordinary shares of Guang Ming. Therefore, Mr. Yuen is deemed to have corporate interest of approximately 28.65% of the Company.

2. Mr. Ko has associated corporation interest in long position of 1,550 ordinary shares of Guang Ming. Therefore, Mr. Ko is deemed to have corporate interest of approximately 15.5% of the Company.

Further Note:

Each of Mr. Yuen and Mr. Ko has associated corporation interest in long position of 9,168,000 and 4,960,000 non-voting class A shares of Manfield Coatings Company Limited, an indirect wholly-owned subsidiary of the Company.

Save as disclosed above, as at 31 December 2015, none of the Directors, the chief executive of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares, underlying shares, or debentures of, the Company or any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2015, the following parties had interests or short positions in the shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the shares of the Company

Name of Shareholder	Capacity	Number of Shares held	Percentage of issued share capital of the Company
Mr. Lee Seng Hui ("Mr. Lee")	Held by controlled corporation	450,000,000 (L) (Note 1)	75%
Mezzo International Limited ("Mezzo")	Held by controlled corporation	450,000,000 (L) (Note 1)	75%
Guang Ming Holdings Limited ("Guang Ming")	Beneficial owner	450,000,000 (L) (Note 1)	75%
Ms. Chew Wai Ling ("Ms Chew")	Held by spouse	450,000,000 (L) (Note 2)	75%

L — represent the entity/individual's long position in the shares of the Company

Notes:

(1) Guang Ming, approximately 51% owned by Mezzo, has corporate interest in long position of 450,000,000 ordinary shares of the Company. Mr. Lee maintains 100% beneficial interests in Mezzo. Accordingly, Mr. Lee is deemed to have corporate interest in long position of 450,000,000 ordinary shares of the Company.

(2) Ms. Chew is the spouse of Mr. Lee. Accordingly, Ms. Chew is deemed to have corporate interest in long position of 450,000,000 ordinary shares of the Company.

Save as disclosed above, as at 31 December 2015, there were no other parties who had interests or short positions in the shares or underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

CONTINUING CONNECTED TRANSACTIONS

As disclosed in the Prospectus, on 13 January 2011, Teknos Coatings (Shanghai) Co., Ltd ("Teknos Coatings") and Manfield Teknos (Changzhou) Chemical Company Limited ("MT"), an indirect non-wholly-owned subsidiary of the Company, entered into the agreement ("Teknos Agreement") (which was amended and replaced by agreements dated 27 August 2012 and 3 December 2013 and supplemented by a deed of variation dated 17 June 2014) pursuant to which MT agreed to sell liquid coatings to Teknos Coatings. The price charged by MT for the sale of liquid coatings to Teknos Coatings is calculated based on a formula set out in the Teknos Agreement, which is calculated on a cost plus basis with an agreed markup rate of the cost taking into account raw material costs, packaging costs and production wages among other things, and is determined on an arm's length basis between Teknos Coatings and MT. In connection with the Teknos Agreement, the Group also purchased an insubstantial amount of raw materials from Teknos Group Oy ("Teknos") and Teknos Coatings (collectively "Teknos Group"). These are specific raw materials which are required for the manufacture of liquid coatings ordered by Teknos Coatings pursuant to the Teknos Agreement. The Group purchases such raw materials solely for the manufacture of liquid coatings for sale to Teknos Coatings under the Teknos Agreement. Since the pricing mechanism of the Teknos Agreement takes into account the cost of raw materials used in the manufacture of the goods, and, as mentioned above, the raw materials purchased by the Group from Teknos Group are solely used in the manufacture of products for Teknos Coatings pursuant to the Teknos Agreement, the cost of the raw materials is directly recovered as a component of the revenue the Group receive pursuant to the Teknos Agreement. Accordingly, the Group is not exposed to price fluctuations in such raw materials and as such, the Group does not source comparable quotes. The price paid by the Group to Teknos Group for the abovementioned raw materials was determined on an arm's length basis between MT and Teknos Group.

The aggregate amount of the sale of liquid coatings to Teknos Coatings and purchase of raw materials from Teknos Group (collectively "Teknos Group Transactions") for the year ended 31 December 2015 was HK$14,081,000 and HK$665,000 respectively.

Teknos is a 40% substantial shareholder of MT, an indirect non-wholly owned subsidiary of the Company, is a connected person of our Company. Teknos Coatings is a wholly-owned subsidiary of Teknos, and therefore is an associate of Teknos and a connected person at the Company's subsidiary level. Given that Teknos and Teknos Coatings are connected persons at the Company's subsidiary level, the Teknos Group Transactions constitute continuing connected transactions of the Company which are subject to the requirements of reporting, annual review and announcement but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules

Pursuant to the requirement under Chapter 14A of the Listing Rules, the independent non-executive directors of the Company have reviewed the continuing connected transactions regarding the Teknos Group Transactions and have confirmed that the transactions were entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the terms of the Teknos Agreement that are fair and reasonable and in the interests of the Group and the shareholder of the Company as a whole. The Company's auditor was engaged to report on the continuing connected transaction regarding the Teknos Group Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor has issued its unqualified letter confirming that nothing has come to its attention that cause it to bring to the attention of the Board pursuant to the requirement under Chapter 14A of the Listing Rules. A copy of the Company's auditor's letter has been provided by the Company to the Stock Exchange.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December, 2015, the aggregate amount of turnover attributable to the Group's five largest customers were approximately 26.0% of the Group's total turnover and our largest customers accounted for approximately 12.3% of the Group's total turnover.

The aggregate purchases attributable to the Group's five largest suppliers were approximately 30.8% and the purchases attributable to the Group's largest supplier was approximately 10.7% during the year.

None of the Directors or any of their close associates or any shareholders of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) has any interest in any of the group's five customers and five largest suppliers.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period from the Listing to 31 December 2015.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company considers all of the independent non-executive directors are independent.

EMOLUMENT POLICY

The emolument policy of the general staff of the Group is set up by the management of the Group on the basis of their merit, qualifications and competence.

The emoluments of the Directors and senior management of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the period from the Listing to 31 December 2015.

DONATIONS

During the year, the Group made donations amounting to HK$1,528,000 (2014: HK$1,402,000).

AUDITOR

A resolution will be submitted to the forthcoming Annual General Meeting to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Yuen Shu Wah
Chairman

Hong Kong, 23 March 2016

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") believes that corporate governance is essential to the success of the Company and the enhancement of shareholders' value. Accordingly, the Company has adopted various measures to ensure that a high standard of corporate governance is maintained.

Throughout the period from the Listing to 31 December 2015, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code"). As listed out in Appendix 4 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited. The current practices will be reviewed and continuously updated.

BOARD OF DIRECTORS

The Board currently comprises eight directors (the "Directors") in total, with three Executive Directors, two Non-Executive Directors and three Independent Non-Executive Directors.

The composition of the Board during the year under review and up to the date of this report is set out as follows:

Executive Directors:

Mr. Yuen Shu Wah *(Chairman)*
Mr. Ko Jack Lum
Mr. Ng Kai On

Non-Executive Directors:

Dato' Wong Peng Chong
Mr. Kong Muk Yin

Independent Non-Executive Directors:

Dr. Chui Hong Sheung, JP
Mr. Cheung Chi Wai Vidy
Mr. Yue Kwai Wai Ken

The Board members have no financial, business, family or other material/relevant relationships with one another. Such balanced Board composition is formed to ensure strong independence exists across the Board.

Throughout the period from the Listing to 31 December 2015, the Board has at least one-third in number of its members comprising Independent Non-Executive Directors under Rule 3.10A of the Listing Rules and at least one of the Independent Non-Executive Directors possesses appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules.

The Board has received from each Independent Non-Executive Director an annual confirmation of his independence and considers that all the Independent Non-Executive Directors are independent under the guidelines set out in Rule 3.13 of the Listing Rules. The biographical details of the Directors are set out in pages 7 to 9 of this Annual Report.

The schedule of Board meetings for a year is planned in the preceding year. At least 14 days notice of all Board meetings is given to all Directors and they can include matters for discussion in the agenda if the need arises. The company secretary of the Company (the "Company Secretary") assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are sent to all Directors at least 3 days before the date of every Board meeting so that the Directors have the time to review the documents.

Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required. The Company Secretary continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group. In addition to its overall supervisory role, the Board also retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc. whilst managing the Group's business is the responsibility of the management of the Group (the "Management").

When the Board delegates aspects of its management and administration functions to the Management, it has given clear directions, to the powers of the Management, in particular, with respect to the circumstances where the Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Throughout the period from the Listing to 31 December 2015, no board meeting was held.

Training

Each newly appointed Director has received comprehensive, formal and tailored induction on appointment so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities under the Listing Rules, legal and other regulatory requirements.

All Directors have provided record of the training attendance and the Company will continue to arrange and/or fund the training in accordance with the code provision A.6.5 of the CG Code.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against the Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group under the code provision A.1.8 of the CG Code.

Roles of Chairman and Chief Executive Officer

The code provision A.2.1 of the CG Code stipulates that the roles of Chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yuen Shu Wah, being the Chairman of the Board, is primarily responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner; (ii) all Directors are properly briefed on issues arising at Board meetings; and (iii) the Directors receive accurate, timely and clear information. The functions of the chief executive officer are performed by Mr. Ko Jack Lum, the chief executive officer of the Company, who is responsible or the day-to-day management of the Group's business. The functions and responsibilities between the Chairman and the chief executive officer are clearly segregated.

The list of Directors and their roles and functions are available on the websites of each of Stock Exchange and the Company at http://www.irasia.com/listco/hk/manfield/.

Appointment and Re-election of Directors

Each of the Executive Directors has entered into a service contract with the Company and each of the Non-Executive Directors and Independent Non-Executive Directors has entered into a letter of appointment with the Company and appointed for a specific term, subject to retirement by rotation and re-election at least once every three years at the annual general meeting (the "AGM") of the Company in accordance with the articles of association of the Company ("Articles of Association"). Any new Director appointed by the Board to fill a causal vacancy shall be subject to re-election by shareholders at the next following AGM after appointment.

Board Diversity Policy

The Board has adopted a board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company under the code provision A.5.6 of the CG Code.

The Company seeks to achieve Board diversity through the consideration of a number of factors, 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.

Corporate Governance Function

The Board has adopted the written terms of reference on corporate governance function so as to assist the Board in supervising the management of its business and office of the Group. During the year, the Board has performed the corporate governance duties in accordance with its terms of reference.

The duties of the Board in respect of corporate governance function are summarized as follows:

(i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(ii) to review and monitor the training and continuous professional development of Directors and senior management;

(iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(v) to review the Company's compliance with the code provisions as set out in the CG Code and its disclosure requirements in the Corporate Governance Report.

BOARD COMMITTEES

The Board has established various committees to assist it in carrying out its responsibilities. The Board has appointed 3 Board committees, viz, the Remuneration Committee, Nomination Committee and Audit Committee to oversee particular aspects of the Group's affairs. Each of the committees has defined terms of reference setting out its duties, powers and functions. The committees report regularly to the Board and, where appropriate, make recommendations on matters discussed.

Remuneration Committee

The Remuneration Committee was established on 6 November 2015 with its written terms of reference. The terms of reference of the Remuneration Committee are available on the website of each of Stock Exchange and the Company at http://www.irasia.com/listco/hk/manfield/.

The Committee comprises two Executive Directors namely, Mr. Yuen Shu Wah and Mr. Ko Jack Lum and three Independent Non-Executive Directors, namely Dr. Chui Hong Sheung, JP, Mr. Cheung Chi Wai Vidy and Mr. Yue Kwai Wai Ken. The Chairman of the Remuneration Committee is Mr. Cheung Chi Wai Vidy. The composition of the Remuneration Committee has complied with the requirements as set out in Rule 3.25 of the Listing Rules that a majority of the members of the Remuneration Committee should be Independent Non- Executive Directors and chaired by an Independent Non-Executive Director.

The meeting of the Remuneration Committee shall be held at least once a year. No Remuneration Committee meeting was held throughout the period from the Listing to 31 December 2015.

The remuneration policy of the Group is to ensure all its employees are remunerated in line with market terms and individual performance.

The major roles and functions of the Remuneration Committee are as follows:

(i) to review annually and recommend to the Board the overall remuneration policy and structure for the Directors and senior management;

(ii) to review annually the performance of the Executive Directors and senior management and recommend to the Board specific adjustments in remuneration and/or reward payments;

(iii) to review and recommend the compensation payable to Executive Directors relating to any loss or termination of their office or appointment;

(iv) to review and recommend compensation arrangements relating to dismissal or removal of Directors for misconduct; and

(v) to responsible for establishing formal and transparent procedures for developing remuneration policy and structure to ensure no Director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of Executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

Nomination Committee

The Nomination Committee was established on 6 November 2015 with its written terms of reference. The terms of reference of the Nomination Committee are available on the website of each of Stock Exchange and the Company at http://www.irasia.com/listco/hk/manfield/.

The Nomination Committee of the Company comprises five members including two Executive Directors, namely Mr. Yuen Shu Wah and Mr. Ko Jack Lum and three Independent Non-Executive Directors, namely Dr. Chui Hong Sheung, JP, Mr. Cheung Chi Wai Vidy and Mr. Yuen Kwai Wai Ken. The Chairman of the Nomination Committee is Mr. Yuen Shu Wah.

The meeting of the Nomination Committee shall be held at least once a year. No Nomination Committee meeting was held throughout the period from the Listing to 31 December 2015.

The Nomination Committee is responsible for formulating nomination policy for the Board's consideration and implement the Board's approved nomination policy.

The major roles and functions of the Nomination Committee are as follows:

(i) to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(iii) to assess the independence of Independent Non-Executive Directors;

(iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the chief executive; and

(v) to review and monitor policy concerning diversity of Board members and make recommendations on any proposed changes to the Board.

Audit Committee

The Audit Committee was established on 6 November 2015 with its written terms of reference. The terms of reference of the Audit Committee are available on the website of each of Stock Exchange and the Company at http://www.irasia.com/listco/hk/manfield/.

The Audit Committee comprises three Independent Non-Executive Directors, namely Dr. Chui Hong Sheung, JP, Mr. Cheung Chi Wai Vidy and Mr. Yue Kwai Wai Ken. The chairman of the Audit Committee is Mr. Yue Kwai Wai Ken. The composition of the Audit Committee has complied with the requirements as set out in Rule 3.21 of the Listing Rules that majority of the members of the Audit Committee should be Independent Non-Executive Director.

The Audit Committee shall meet at least twice a year. Throughout the period from the Listing to 31 December 2015, no Audit Committee meeting was held.

Throughout the period from the Listing and up to date of this report, the Audit Committee had performed the following work:

(i) reviewed the financial statements for the years ended 31 December 2014 and 31 December 2015;

(ii) reviewed the effectiveness of internal control system;

(iii) reviewed the external auditor's statutory audit plan and engagement letter;

(iv) reviewed the management letter from the external auditor in relation to the audit of the Group for the year ended 31 December 2015; and

(v) reviewed and recommended for approval by the Board the audit scope and fees for the year ended 31 December 2015.

The major roles and functions of the Audit Committee are as follows:

(i) to consider the appointment, re-appointment and removal of the external auditor, the audit fees, and any questions of resignation or dismissal of the external auditor of the Group;

(ii) to discuss with the external auditor the nature and scope of the audit;

(iii) to review the interim and annual financial statements before submission to the Board;

(iv) to discuss problems and reservations arising from the interim review and final audit, and any matters the external auditor may wish to discuss;

(v) to review the external auditor's management letters and management's response; and to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(vi) to review the Group's financial controls, internal controls and risk management systems to ensure that they are appropriate and functioning properly; and

(vii) to consider any findings of major investigations of internal control matters and management's response.

AUDITOR'S REMUNERATION

During the year ended 31 December 2015 under review, the remuneration paid or payable to the Group's external auditor, Messrs Deloitte Touche Tohmatsu, is set out as follows:

Services rendered	Fees paid/payable HK$'000
Audit services	850
Non-audit services	101
	951

INTERNAL CONTROL

The Board and senior management are responsible for establishing, maintaining and operating an effective system of internal control. The internal control system of the Company comprises a well-established organizational structure and comprehensive policies and standards. The Board has clearly defined the authorities and key responsibilities of each business and operational unit to ensure adequate checks and balances. The Board is of the view that the system of internal controls in place for the year ended 31 December 2015 under review and up to the date of issuance of the annual report and financial statements is sound and is sufficient to safeguard the interests of shareholders, employees, and the Group's assets.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and involving in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

(a) The Audit Committee reviews internal control issues identified by external auditor, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. To further enhance control awareness, the Group has also approved launching a whistleblowing policy for employees to raise any concerns about possible improprieties in any matter related to the Group.

(b) The Remuneration Committee was established to ensure all the Directors and the senior management of the Group are remunerated in line with market terms and individual performance.

(c) The corporate reporting functions are delegated to the accounting department in terms of proper and regular reviews on the deployment of resources and financial reporting systems. The corporate governance practices and compliance with the Listing Rules, Securities and Futures Ordinance, (Chapter 571 of the Laws of Hong Kong) and other applicable regulations are delegated to the company secretarial department. The Management reviews the system of internal controls and briefs the reporting systems with the Executive Directors regularly and the Audit Committee annually.

(d) Every newly appointed director was provided with a comprehensive handout detailing the responsibilities and duties of being a director of the Company. In particular highlighting the respective applicable rules and regulation, including the Listing Rules, which a director should aware and be informed on the first occasion of his appointment with the Company.

(e) The Company has adopted the code of conduct regarding Directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"). A copy of the Model Code was sent to each Director and the relevant employees of the Group who are required to be provided under the Model Code. Enquiries have been made with Directors and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the period from the Listing to 31 December 2015.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2015, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis.

SHAREHOLDERS' COMMUNICATION

The annual general meeting (the "AGM") of the Company provides a useful forum for shareholders to exchange views with the Board. The Chairman of the Board as well as Chairman of the Audit Committee, Remuneration Committee and Nomination Committee will present at the AGM to answer shareholders' questions. Throughout the period from the Listing to 31 December 2015, no general meeting was held.

Separate resolutions are proposed at the general meeting for each substantial issue including the re-election of the retiring Directors.

The next AGM will be held on Thursday, 23 June 2016, the notice of which will be sent to shareholders at least 20 clear business days before the meeting. An explanation of the detailed procedures for conducting a poll will be provided to the shareholders at the commencement of the meeting. The Chairman will answer any questions from shareholders regarding voting by way of a poll. The poll results will be published in accordance with the requirements of the Listing Rules. All shareholders are encouraged to attend the general meetings or to appoint proxies to attend and vote at the meetings on their behalf if they are unable to attend the meetings.

SHAREHOLDERS' RIGHTS

Right to put enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Other shareholders' enquiries can be directed to the head office and principal place of business of the Company in Hong Kong as set out in the Corporation Information section of this Annual Report for the attention of the Company Secretary.

Right to convene special general meeting

Pursuant to Article 58 of the Articles of Association, an extraordinary general meeting can be convened on the requisition of any one or more shareholders 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 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; and such meeting shall be held within two (2) months after the deposit of such requisition.

If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must be signed by the requisitionists and deposited at the registered office of the Company at Cricket Square, Hutchins Drive, P.O.Box 2681, Grand Cayman KY1-1111, Cayman Islands or the head office and principal place of business in Hong Kong at Block L, 9th Floor, On Wah Industrial Building, 41–43 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong of the Company for the attention of the Company Secretary.

Right to put forward proposals at general meetings

Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceeding paragraph. Shareholders can also send enquiries and proposals putting forward for shareholders' consideration at shareholders' meetings to the Board in writing to the head office and principal place of business of the Company in Hong Kong whose contact details are as follows or directly by raising questions at the general meeting of the Company.

Block L,
9th Floor, On Wah Industrial Building
41–43 Au Pui Wan Street
Fo Tan, Shatin
Hong Kong

INVESTOR RELATIONS

The Company maintains a website at http://www.irasia.com/listco/hk/manfield/ where information and updates on the list of Directors and their roles and functions, constitutional documents, terms of reference of the Board committees, procedures for nomination of Directors for election, announcements, circulars and reports released to the Stock Exchange and other information are posted. Information on the Company's website will be updated from time to time.

Throughout the period from the Listing and up to the date of this annual report, there was no significant change in the Company's constitutional documents.

On behalf of the Board
Manfield Chemical Holdings Limited

Yuen Shu Wah
Chairman

Hong Kong, 23 March 2016

Deloitte.
德勤

TO THE MEMBERS OF
MANFIELD CHEMICAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Manfield Chemical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 24 to 69, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, 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 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 auditor's judgment, 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 auditor considers 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.

OPINION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

23 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	**2015 HK$'000**	2014 HK$'000
Revenue	*5*	**331,572**	328,047
Cost of sales and services		**(235,945)**	(235,678)
Gross profit		**95,627**	92,369
Other income	*7*	**18,136**	19,388
Other gains and losses	*7*	**4,077**	1,344
Distribution and selling expenses		**(32,771)**	(31,661)
Administrative expenses		**(48,759)**	(47,736)
Other expenses		**(8,792)**	(13,802)
Finance costs — bank borrowings wholly repayable within five years		**(50)**	(131)
Share of profits of an associate	*14*	**24,332**	29,051
Profit before taxation	*8*	**51,800**	48,822
Taxation	*9*	**(7,855)**	(6,807)
Profit for the year		**43,945**	42,015
Earnings per share			
— Basic	*11*	**HK9.6 cents**	HK9.2 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	**2015 HK$'000**	2014 HK$'000
Profit for the year		**43,945**	42,015
Other comprehensive expense which may be subsequently reclassified to profit or loss:			
Share of exchange differences of an associate	*14*	**(10,012)**	(480)
Exchange differences arising on translation of foreign operations		**(19,940)**	(942)
Other comprehensive expense for the year		**(29,952)**	(1,422)
Total comprehensive income for the year		**13,993**	40,593
Profit (loss) for the year attributable to:			
Owners of the Company		**44,305**	41,431
Non-controlling interests		**(360)**	584
		43,945	42,015
Total comprehensive income (expense) attributable to:			
Owners of the Company		**15,386**	40,041
Non-controlling interests		**(1,393)**	552
		13,993	40,593

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2015

	Notes	**2015 HK$'000**	2014 HK$'000
Non-current assets			
Property, plant and equipment	*12*	**119,902**	135,054
Prepaid lease payments	*13*	**29,603**	32,306
Interest in an associate	*14*	**180,387**	179,567
Deferred tax assets	*15*	**162**	162
Derivative financial instruments	*20*	**1,638**	965
Deposits to purchase of property, plant and equipment and prepaid lease payments		**3,156**	854
		334,848	348,908
Current assets			
Prepaid lease payments	*13*	**818**	868
Inventories	*16*	**30,371**	31,908
Trade and other receivables	*17*	**116,657**	110,724
Tax recoverable		**1,090**	944
Bank balances and cash	*18*	**200,425**	80,170
		349,361	224,614
Current liabilities			
Trade and other payables	*19*	**40,054**	42,559
Tax payable		**2,327**	398
Amount due to ultimate holding company	*21*	**–**	31,399
Bank borrowing	*22*	**–**	2,535
		42,381	76,891
Net current assets		**306,980**	147,723
Total assets less current liabilities		**641,828**	496,631
Capital and reserves			
Share capital	*23*	**6,000**	78
Reserves		**619,113**	478,445
Equity attributable to owners of the Company		**625,113**	478,523
Non-controlling interests		**16,715**	18,108
Total equity		**641,828**	496,631

The consolidated financial statements on pages 24 to 69 were approved and authorised for issue by the Board of Directors on 23 March 2016 and are signed on its behalf by:

Yuen Shu Wah
Director

Ko Jack Lum
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000 (note d)	Special reserve HK$'000 (note a)	Shareholders' contribution/ distribution reserve HK$'000 (note b)	Translation reserve HK$'000	Other reserve HK$'000 (note c)	Non-distributable reserve HK$'000 (note d)	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2014	78	–	32,000	(11,673)	56,489	4,571	8,140	358,877	448,482	11,916	460,398
Share of exchange differences of an associate	–	–	–	–	(480)	–	–	–	(480)	–	(480)
Exchange differences arising on translation of foreign operations	–	–	–	–	(910)	–	–	–	(910)	(32)	(942)
Other comprehensive expense for the year	–	–	–	–	(1,390)	–	–	–	(1,390)	(32)	(1,422)
Profit for the year	–	–	–	–	–	–	–	41,431	41,431	584	42,015
Total comprehensive (expense) income for the year	–	–	–	–	(1,390)	–	–	41,431	40,041	552	40,593
Transfer	–	–	–	–	–	–	1,301	(1,301)	–	–	–
Dividend paid	–	–	–	–	–	–	–	(10,000)	(10,000)	–	(10,000)
Capital contribution from non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	–	5,640	5,640
At 31 December 2014	78	-	32,000	(11,673)	55,099	4,571	9,441	389,007	478,523	18,108	496,631
Share of exchange differences of an associate	-	-	-	-	(10,012)	-	-	-	(10,012)	-	(10,012)
Exchange differences arising on translation of foreign operations	-	-	-	-	(18,907)	-	-	-	(18,907)	(1,033)	(19,940)
Other comprehensive expense for the year	-	-	-	-	(28,919)	-	-	-	(28,919)	(1,033)	(29,952)
Profit (loss) for the year	-	-	-	-	-	-	-	44,305	44,305	(360)	43,945
Total comprehensive (expense) income for the year	-	-	-	-	(28,919)	-	-	44,305	15,386	(1,393)	13,993
Transfer	-	-	-	-	-	-	1,645	(1,645)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(20,000)	(20,000)	-	(20,000)
Issue of shares on Reorganisation *(note 23)*	(78)	78	-	-	-	-	-	-	-	-	-
Capitalisation issue of shares *(note 23)*	4,500	(4,500)	-	-	-	-	-	-	-	-	-
Waive of amount due to ultimate holding company *(note 21)*	-	-	-	11,399	-	-	-	-	11,399	-	11,399
Issue of shares *(note 23)*	1,500	148,500	-	-	-	-	-	-	150,000	-	150,000
Transaction costs attributable to issue of shares	-	(10,195)	-	-	-	-	-	-	(10,195)	-	(10,195)
At 31 December 2015	6,000	133,883	32,000	(274)	26,180	4,571	11,086	411,667	625,113	16,715	641,828

Notes:

(a) The special reserve of the Group represents the nominal values of 32,000,000 non-voting class A shares of HK$1 each issued by a subsidiary of the Company to its shareholders prior to a group reorganisation in 2002.

(b) The balance as at 1 January 2014 and 31 December 2014 included (i) deemed distribution to a shareholder of HK$12,515,000 involving a distribution of assets other than cash to an owner by making reference to the fair value of the assets being distributed; and (ii) deemed contribution from a shareholder of HK$842,000 about the disposal of a subsidiary which having net liabilities. During the year ended 31 December 2015, there is deemed shareholders' contribution upon the waive of loan from ultimate holding company of HK$11,399,000.

(c) Other reserve was resulted from the partial disposal of a subsidiary in previous years.

(d) The non-distributable reserve of the Group mainly represents statutory reserve requirement that the foreign investment enterprises appropriated 10% of the profit after taxation of the subsidiaries of the Company registered in the People's Republic of China (the "PRC") to the non-distributable reserve under the PRC laws and regulations until the transferred amount equals to 50% of the registered capital of these PRC subsidiaries. It can be used to make up for previous years' losses or converted into additional capital of these PRC subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	**2015 HK$'000**	2014 HK$'000
OPERATING ACTIVITIES			
Profit before taxation		**51,800**	48,822
Adjustments for:			
Net (reversal of impairment losses) impairment losses recognised on trade receivables	*7*	**(675)**	202
Impairment loss recognised on other receivable	*7*	**663**	–
Release of prepaid lease payments	*8*	**855**	865
Depreciation of property, plant and equipment	*8*	**15,018**	12,240
Net (gain) loss on disposal of property, plant and equipment	*7*	**(12)**	338
Interest income	*7*	**(402)**	(502)
Finance costs		**50**	131
Share of profits of an associate	*14*	**(24,332)**	(29,051)
Change in fair value of derivative financial instruments	*20*	**(673)**	(1,067)
Operating cash flows before movements in working capital		**42,292**	31,978
(Increase) decrease in inventories		**(337)**	4,557
Increase in trade and other receivables		**(14,021)**	(3,502)
Decrease in trade and other payables		**(274)**	(6,151)
Cash generated from operations		**27,660**	26,882
Income tax paid		**(6,072)**	(8,639)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**21,588**	18,243
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(7,742)**	(17,390)
Dividends received from an associate		**13,500**	18,000
Interest received		**402**	502
Deposits paid for purchase of property, plant and equipment and prepaid lease payment		**(2,340)**	–
Investment in structured deposits		**–**	(23,482)
Withdrawal of structured deposits		**–**	23,482
Proceeds from disposal of property, plant and equipment		**598**	835
Settlement of loan upon disposal of a subsidiary		**–**	624
NET CASH FROM INVESTING ACTIVITIES		**4,418**	2,571

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	**2015 HK$'000**	2014 HK$'000
FINANCING ACTIVITIES			
Interest paid		**(50)**	(131)
Dividend paid		**(20,000)**	(10,000)
New bank borrowing raised		**20,000**	2,522
Repayment of bank borrowing		**(22,535)**	–
Repayment to ultimate holding company	*21*	**(20,000)**	–
Proceeds from issue of share capital		**150,000**	–
Shares issue expenses		**(10,195)**	–
Capital contribution from non-controlling interests of subsidiaries		**–**	5,640
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**97,220**	(1,969)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**123,226**	18,845
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**80,170**	61,716
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(2,971)**	(391)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**200,425**	80,170

1. GENERAL INFORMATION AND REORGANISATION AND BASIS OF PREPARATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revision) Chapter 22 of the Cayman Islands on 14 April 2014. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1 December 2015. The addresses of the registered office and principal place of business of the Company are disclosed in the corporation information section of the annual report.

The Company's immediate holding company is Guang Ming Holdings Limited ("Guang Ming") and ultimate holding company is Mezzo International Limited ("Mezzo International"). Both companies were incorporated in the British Virgin Islands ("BVI").

The Company is an investment holding company. The Group is principally engaged in manufacturing and trading of liquid coatings, powder coatings and subcontracting services.

The functional currency of the Company is Hong Kong dollars, which is the same as the presentation currency of the consolidated financial statements.

In the preparation for the listing of the Company's shares on the Stock Exchange, the companies now comprising the Group underwent a group reorganisation (the "Reorganisation"). Details of the Reorganisation are set out in the prospects dated 17 November 2015 issued by the Company.

Upon completion of the Reorganisation, the Company became the holding company of the companies now comprising the Group on 6 November 2015. The Reorganisation involved incorporation of and interspersing Guang Ming and the Company between Rookwood Investments Limited ("Rookwood Investments", the holding company of the Group before completion of the Reorganisation) and its then shareholders. The Group resulting from the Reorganisation is regarded as a continuing entity.

Accordingly, the consolidated financial statements have been prepared on the basis as if the Company had always been the holding company of the Group. The consolidated statements of profit or loss, 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 two years ended 31 December 2015 have been prepared as if the current group structure had been in existence throughout the two years ended 31 December 2015. The consolidated statement of financial position as at 31 December 2014 has been prepared to present the assets and liabilities of the entities comprising the Group as if the current group structure had been in existence at 31 December 2014, or since the respective dates of incorporation or establishment, where there is a shorter period.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has consistently applied all the HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the Group's financial year beginning on 1 January 2014 for both current and prior years.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[3]
HKFRS 9	Financial instruments[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[3]
HKFRS 15	Revenue from contracts with customers[1]
Amendments to HKAS 1	Disclosure initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[3]
Amendments to HKAS 27	Equity method: separate financial statements[3]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods to be determined
3 Effective for annual periods beginning on or after 1 January 2016

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The provisions of the new Hong Kong Companies Ordinance (Cap 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 December 2015. The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to certain requirements of the new CO and to streamline with HKFRSs and have become effective for the financial year ended 31 December 2015. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis except for HKAS 2 and HKAS 36.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods sold or services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

Royalty fee income is derived from agreements signed with counterparties which manufacture products using the proprietary know-how of the Group. Royalty fee income is recognised when the counterparties make the related sales and determined as a percentage to the related sales amount.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production of goods, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress represents property, plant and equipment in the course of construction for production and administrative purposes. Construction in progress is carried at cost less any identified impairment loss. Construction in progress is classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investments in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The results and assets and liabilities of associate are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

The requirements of HKAS 39 "Financial instruments: Recognition and measurement" are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Where a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised only to the extent of interests in the associate that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment loss on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial instruments at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL when it is a derivative that is not designated and effective as hedging instruments; or it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract to be designated as at FVTPL upon initial recognition.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in the profit or loss includes any interest earned on the financial assets and is included in "other gains and losses" line item. Fair value is determined in the manner described in note 20.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, bank balances and cash are measured at amortised cost using the effective interest method, less any identified impairment (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of the impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on trade receivables.

For loans and receivables, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or it is those designated at FVTPL on initial recognition.

A financial liability is classified as held for trading if it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL (including derivative financial instruments) are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss included any interest paid on the financial liabilities and is included in the "other gains and losses" line item. Fair value is determined in the manner described in note 20.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

Other financial liabilities

Financial liabilities including trade and other payables, bank borrowing and amount due to ultimate holding company are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Retirement benefits costs

Payments to the defined contribution retirement benefit plans, including Occupational Retirement Scheme (the "ORSO Scheme"), the Mandatory Provident Fund Scheme ("MPF Scheme") and the state-managed retirement benefit schemes, are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is released over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Taxation represents the sum of the income tax expense currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly to equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment losses on trade receivables

The provision policy for impairment losses on trade receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

Net reversal of impairment losses on trade receivables of HK$675,000 recognised for the year ended 31 December 2015 (2014: net impairment losses recognised of HK$202,000). As at 31 December 2015, the carrying amount of trade receivables is HK$103,015,000 (2014: HK$94,989,000).

5. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the amounts received and receivable for services provided and goods sold, net of discounts and sales related taxes, during both years.

The Group is principally engaged in manufacturing and trading of liquid coatings, powder coating and subcontracting services. The management of the Group, being the Group's chief operating decision maker, make the decision on allocation of resources and assessment of performance based on geographical segments determined on the basis of location of customers. Information of the operating and reportable segments of the Group is as follow:

Year ended 31 December 2015

	Hong Kong and Others# HK$'000	The PRC HK$'000	Consolidated HK$'000
REVENUE			
External revenue	73,172	258,400	331,572
RESULTS			
Segment profits	14,718	39,489	54,207
Interest income			402
Unallocated corporate income			9,231
Unallocated corporate expenses			(37,007)
Unallocated corporate other gains and losses			685
Finance costs			(50)
Share of profits of an associate			24,332
Profit before taxation			51,800
TOTAL ASSETS			
Segment assets — trade and bills receivables	14,293	94,563	108,856
Unallocated assets			575,353
			684,209
OTHER SEGMENT INFORMATION			
Amounts included in the measure of segment profit:			
Net reversal of impairment losses on trade receivables	–	675	675

5. REVENUE AND SEGMENTAL INFORMATION *(Continued)*

Year ended 31 December 2014

	Hong Kong and Others# HK$'000	The PRC HK$'000	Consolidated HK$'000
REVENUE			
External revenue	81,027	247,020	328,047
RESULTS			
Segment profits	21,917	35,987	57,904
Interest income			502
Unallocated corporate income			9,425
Unallocated corporate expenses			(48,658)
Unallocated corporate other gains and losses			729
Finance costs			(131)
Share of profits of an associate			29,051
Profit before taxation			48,822
TOTAL ASSETS			
Segment assets — trade and bills receivables	15,228	86,750	101,978
Unallocated assets			471,544
			573,522
OTHER SEGMENT INFORMATION			
Amounts included in the measure of segment profit:			
Net impairment losses recognised on trade receivables	–	202	202

Including Indonesia, Malaysia, Taiwan and other jurisdictions.

Notes:

(i) Segment profits represent the results of each segment without allocation of corporate items, including interest income, management fee income and rental income from subsidiaries of an associate, net gain (loss) on disposal of property, plant and equipment, central administration cost, depreciation of property, plant and equipment, release of prepaid lease payments, change in fair value of derivative financial instruments, finance costs and share of profits of an associate. This is the measure reported to the management of the Group for the purpose of resources allocation and performance assessments.

(ii) Other than trade and bills receivables, assets are not allocated to operating segments. Inventories could be sold to common customers of the operating segments, which cannot be allocated to respective segments on a reasonable basis. Liabilities are not allocated to operating segments, as the Group's trade payables represented payables to common suppliers of the operating segments, which cannot be allocated to respective segments on a reasonable basis.

5. REVENUE AND SEGMENTAL INFORMATION *(Continued)*

Revenue from major products and services

The Group's revenue from its major products and services were as follows:

	2015 HK$'000	2014 HK$'000
Sales		
Liquid coatings		
Sales to outsiders	**261,837**	251,336
Sales to subsidiaries of an associate	**10,090**	9,279
Powder coatings — sales to outsiders	**28,916**	35,606
Subcontracting fee income from subsidiaries of an associate	**30,729**	31,826
	331,572	328,047

Information about major customers

During the year, the revenue from the subsidiaries of an associate contributed over 10% of total revenue of the Group are as follows:

	2015 HK$'000	2014 HK$'000
Hong Kong	**9,365**	9,988
The PRC	**31,454**	31,117
	40,819	41,105

Details are disclosed in note 26.

Geographical information

The Group's operations are located in Hong Kong, the PRC and others. The Group's information about its non-current assets (excluding deferred tax assets and derivative financial instruments) by geographical location of the assets, including property, plant and equipment, prepaid lease payments, deposits to purchase of property, plant and equipment and prepaid lease payments; and by location of incorporation for interest in an associate, are detailed below:

	2015 HK$'000	2014 HK$'000
Hong Kong and others *(Note)*	**186,124**	185,809
The PRC	**146,924**	161,972
	333,048	347,781

Note: Non-current assets of others is less than 10% of the Group's total non-current assets at the end of the reporting period.

6. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

	Executive Directors			Non-executive directors		Independent non-executive directors			
	Mr. Yuen Shu Wah ("Mr. Yuen") *(note i)* HK$'000	Mr. Ko Jack Lum *(note ii)* HK$'000	Mr. Ng Kai On *(note ii)* HK$'000	Dato' Wong Peng Chong *(note ii)* HK$'000	Mr. Kong Muk Yin *(note ii)* HK$'000	Dr. Chui Hong Sheung *(note iii)* HK$'000	Mr. Cheung Chi Wai Vidy *(note iii)* HK$'000	Mr. Yue Kwai Wa Ken *(note iii)* HK$'000	Total HK$'000
Year ended 31 December 2015									
Fee	10	10	10	10	10	10	10	10	80
Other emoluments									
Salaries and other benefits	391	1,919	1,149	–	–	–	–	–	3,459
Discretionary bonus *(note iv)*	150	150	–	–	–	–	–	–	300
Retirement benefit scheme contributions	123	123	63	–	–	–	–	–	309
Total emoluments	674	2,202	1,222	10	10	10	10	10	4,148
Year ended 31 December 2014									
Fee	–	–	–	–	–	–	–	–	–
Other emoluments									
Salaries and other benefits	628	2,030	1,232	–	–	–	–	–	3,890
Discretionary bonus *(note iv)*	170	170	–	–	–	–	–	–	340
Retirement benefit scheme contributions	131	131	67	–	–	–	–	–	329
Total emoluments	929	2,331	1,299	–	–	–	–	–	4,559

Notes:

(i) Mr. Yuen was appointed as executive director on 14 April 2014.

(ii) The executive and non-executive directors were appointed on 12 June 2014.

(iii) The independent non-executive directors were appointed on 6 November 2015.

(iv) Discretionary bonus was determined by the management of the Group by reference to the performance of directors and the Group's operating results.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments shown above were mainly for their services as directors of the Company and its subsidiaries.

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

Mr. Ko Jack Lum is the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive, while Mr. Yuen is the chairman of the Company.

During both years, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any remuneration during both years.

6. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Employees' emoluments

The five highest paid individuals included three directors and whose emoluments are included in the disclosures in (a) above for both years. The emoluments of the remaining two individuals, are as follows:

	2015 HK$'000	2014 HK$'000
Salaries and other benefits	**2,172**	1,562
Retirement benefit scheme contributions	**64**	94
	2,236	1,656

The emoluments of the individuals with the highest emoluments are within the following bands:

	2015 Number of individuals	2014 Number of individuals
HK$ nil to HK$1,000,000	**1**	2
HK$1,000,001 to HK$1,500,000	**1**	–

During both years, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

7. OTHER INCOME AND OTHER GAINS AND LOSSES

	2015 HK$'000	2014 HK$'000
Other income		
Royalty fee income from subsidiaries of an associate	**5,491**	6,264
Management fee income from subsidiaries of an associate	**7,618**	7,659
Rental income from subsidiaries of an associate	**1,613**	1,766
Transportation fee income from a subsidiary of an associate	**2,242**	2,420
Rental income	**770**	777
Interest income	**402**	502
	18,136	19,388
Other gains and losses		
Net reversal of impairment losses (impairment losses recognised) on trade receivables	**675**	(202)
Impairment loss recognised on other receivable	**(663)**	–
Net gain (loss) on disposal of property, plant and equipment	**12**	(338)
Net exchange gain	**2,857**	182
Change in fair value of derivative financial instruments	**673**	1,067
Others	**523**	635
	4,077	1,344

8. PROFIT BEFORE TAXATION

	2015 HK$'000	2014 HK$'000
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	**850**	410
Directors' emoluments *(note 6)*		
Fee	**80**	–
Other emoluments	**3,759**	4,230
Retirement benefit scheme contributions	**309**	329
	4,148	4,559
Other staff costs:		
Salaries and other allowances	**96,719**	82,249
Retirement benefit scheme contributions	**8,000**	6,901
Total staff costs	**108,867**	93,709
Release of prepaid lease payments	**855**	865
Depreciation of property, plant and equipment	**15,018**	12,240
Donation	**1,528**	1,402
Listing expenses	**7,264**	12,400
Minimum operating lease rentals in respect of rented premises	**752**	1,012

9. TAXATION

	2015 HK$'000	2014 HK$'000
Hong Kong Profits Tax:		
Current year	**2,368**	2,845
Underprovision in prior years	**10**	50
	2,378	2,895
PRC Enterprise Income Tax:		
Current year	**5,209**	3,104
Underprovision in prior years	**268**	808
	5,477	3,912
	7,855	6,807

The Company and its subsidiary incorporated in the BVI are exempted from profit tax under the tax laws of the BVI.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both years. Taiwan income tax is calculated at 17% on the assessable taxable profits of the Taiwan Branch for both years. No provision for Taiwan income tax has been made as the Group has no assessable profit arising in Taiwan.

Under the Law of the PRC in Enterprise Income tax (the "EIT Law") and Implementation Regulations of the EIT Law, the applicable tax rate for the Company's subsidiaries registered in the PRC is 25% for both years, except Springfield Chemical (Guangzhou) Company Limited ("Springfield"). Springfield obtained the qualification as high and new technology enterprise at 10 October 2015, which is valid for three years, and the relevant application to competent tax authority is also filed. Hence, Springfield is subject to the preferential tax treatment and the applicable tax rate for the year ended 31 December 2015 is 15% (2014: 25%).

9. TAXATION *(Continued)*

The taxation charge for the year can be reconciled to the profit before taxation as follows:

	2015 HK$'000	2014 HK$'000
Profit before taxation	**51,800**	48,822
Less: Share of profits of an associate	**(24,332)**	(29,051)
	27,468	19,771
Taxation at Hong Kong Profits Tax rate of 16.5%	**4,532**	3,262
Tax effect of expenses not deductible for tax purpose	**1,304**	2,680
Tax effect of tax losses not recognised	**261**	337
Utilisation of tax losses previously not recognised	**(54)**	(425)
Effect of different tax rates of subsidiaries operating in the PRC	**380**	1,571
Effect of income tax on concessionary rate	**(248)**	–
Underprovision in prior years	**278**	858
Others	**1,402**	(1,476)
Taxation charge for the year	**7,855**	6,807

Details of deferred taxation are set out in note 15.

10. DIVIDEND

During the year ended 31 December 2015 (prior to the listing), a dividend of HK$20,000,000 (2014: HK$10,000,000) was distributed by Rookwood Investments to its then shareholders.

The rate of dividend and the number of share ranking for dividend are not presented as such information is not meaningful having regard the Reorganisation has completed at 6 November 2015 as detailed in note 1.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2015 of HK$0.025 per share has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2015 HK$'000	2014 HK$'000
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	**44,305**	41,431

	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**462,739**	450,000

During the years ended 31 December 2015 and 2014, the weighted average number of ordinary shares for the purposes of calculating basic earnings per share has been adjusted for the effect of the Reorganisation for the Company's shares listed on the Stock Exchange on 1 December 2015.

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation and the Capitalisation (as defined in notes 1 and 23 respectively) had been effective on 1 January 2014.

No diluted earnings per share for both years were presented as there were no potential ordinary shares in issue for both years.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Plant, machinery and equipment HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1 January 2014	97,054	25,895	32,890	11,645	42,932	33,581	243,997
Exchange adjustments	(237)	(49)	(99)	(39)	(165)	(175)	(764)
Additions	–	4,550	1,352	1,060	1,397	9,031	17,390
Transfer	16,559	3,873	2,160	179	1,251	(24,022)	–
Disposals	–	(177)	(477)	(2,053)	(4,287)	–	(6,994)
At 31 December 2014	**113,376**	**34,092**	**35,826**	**10,792**	**41,128**	**18,415**	**253,629**
Exchange adjustments	**(6,828)**	**(1,969)**	**(1,901)**	**(546)**	**(2,328)**	**(288)**	**(13,860)**
Additions	**88**	**1,076**	**1,734**	**1,537**	**1,083**	**2,224**	**7,742**
Transfer	**15,714**	**1,381**	**174**	**–**	**2,776**	**(20,045)**	**–**
Disposals	**–**	**–**	**(843)**	**(1,481)**	**(1,291)**	**–**	**(3,615)**
At 31 December 2015	**122,350**	**34,580**	**34,990**	**10,302**	**41,368**	**306**	**243,896**
DEPRECIATION							
At 1 January 2014	32,937	18,273	27,639	7,445	26,212	–	112,506
Exchange adjustments	(88)	(44)	(82)	(26)	(110)	–	(350)
Provided for the year	4,178	2,505	2,212	1,624	1,721	–	12,240
Eliminated on disposals	–	(150)	(417)	(1,670)	(3,584)	–	(5,821)
At 31 December 2014	**37,027**	**20,584**	**29,352**	**7,373**	**24,239**	**–**	**118,575**
Exchange adjustments	**(2,271)**	**(1,229)**	**(1,486)**	**(353)**	**(1,231)**	**–**	**(6,570)**
Provided for the year	**5,856**	**3,448**	**2,005**	**1,351**	**2,358**	**–**	**15,018**
Eliminated on disposals	**–**	**–**	**(754)**	**(1,358)**	**(917)**	**–**	**(3,029)**
At 31 December 2015	**40,612**	**22,803**	**29,117**	**7,013**	**24,449**	**–**	**123,994**
CARRYING AMOUNTS							
At 31 December 2015	**81,738**	**11,777**	**5,873**	**3,289**	**16,919**	**306**	**119,902**
At 31 December 2014	76,349	13,508	6,474	3,419	16,889	18,415	135,054

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis after taking into account their estimated residual values, at the following rates per annum:

Leasehold land and buildings	Over the shorter of the term of the lease and 50 years
Leasehold improvements	4.5%–20%
Furniture, fixtures and office equipment	18%–20%
Motor vehicles	18%–25%
Plant, machinery and equipment	4%–18%

As at 31 December 2015, the Group is in the process of obtaining title deeds from relevant government authorities for its leasehold land and buildings in the PRC amounting to HK$49,372,000 (2014: HK$40,425,000). In the opinion of the management of the Group, the Group is not required to incur additional costs in obtaining the title deeds for its leasehold land and buildings in the PRC.

As at 31 December 2015, the Group's leasehold land and buildings situated in Hong Kong amounting to HK$4,638,000 (2014: HK$4,802,000), were pledged to a bank for general banking facilities granted to the Group.

13. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments represent leasehold interest in land in the PRC held under medium-term lease, and are analysed for reporting purposes as follows:

	2015 **HK$'000**	2014 HK$'000
Non-current asset	**29,603**	32,306
Current asset	**818**	868
	30,421	33,174

14. INTEREST IN AN ASSOCIATE

	2015 **HK$'000**	2014 HK$'000
Unlisted investment, at cost	**178**	178
Share of post-acquisition translation reserve	**10,686**	20,698
Share of post-acquisition profits, net of dividends received	**169,523**	158,691
	180,387	179,567

14. INTEREST IN AN ASSOCIATE *(Continued)*

The following list contains only the particulars of an associate, which is an unlisted corporate, in the opinion of the management of the Group, which principally affected the results or assets of the Group:

List of associate	Form of business structure	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Attributable equity interest of the Group as at 2015	2014	Principal activity
CMW Holding Limited ("CMW Holding")	Limited liability company	Hong Kong	HK$500,000 Ordinary share	**45%**	45%	Investment holding

List of subsidiaries of CMW Holding	Form of business structure	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Attributable equity interest of CMW Holding as at 2015	2014	Principal activity
廣州卡秀堡輝塗料有限公司 CMW Coatings (Guangzhou) Limited *(note)*	Wholly owned foreign enterprise	PRC	HK$10,000,000 Paid-up registered capital	**100%**	100%	Manufacturing of coatings
無錫卡秀堡輝塗料有限公司 CMW Coatings (Wuxi) Limited *(note)*	Wholly owned foreign enterprise	PRC	HK$25,000,000 Paid-up registered capital	**100%**	100%	Manufacturing of coatings
CMW Coatings (Hong Kong) Limited	Limited liability company	Hong Kong	HK$1 Ordinary share	**100%**	100%	Trading of coatings
天津卡秀堡輝塗料有限公司 CMW Coatings (Tianjin) Limited *(note)*	Wholly owned foreign enterprise	PRC	US$4,000,000 Paid-up registered capital	**100%**	100%	Not yet commence business

Note: English translated name is for identification only

CMW Holding was incorporated in Hong Kong in year 2000, so as to develop the PRC markets of paint coatings for housewares through its PRC subsidiaries.

The summarised financial information in respect of the Group's associate, which is accounted for using the equity method, is set out below.

The summarised financial information below represents amounts shown in the associate's consolidated financial statement for the year ended 31 December 2014 and the management accounts for the year ended 31 December 2015 prepared in accordance with HKFRSs.

14. INTEREST IN AN ASSOCIATE *(Continued)*

CMW Holding and its subsidiaries

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Current assets	**448,361**	442,575
Non-current assets	**90,167**	88,634
Current liabilities	**118,986**	114,822
Non-current liabilities	**18,682**	17,349
Net assets	**400,860**	399,038

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Revenue	**646,916**	644,492
Profit for the year	**54,071**	64,558
Other comprehensive expense for the year	**(22,249)**	(1,068)
Total comprehensive income for the year	**31,822**	63,490
The Group's share of profits of an associate for the year	**24,332**	29,051
The Group's share of other comprehensive expense for the year	**(10,012)**	(480)
Dividends paid to the Group	**13,500**	18,000

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

CMW Holding and its subsidiaries

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Net assets of the associate	**400,860**	399,038
Proportion of the Group's ownership interest in CMW Holding	**45%**	45%
Carrying amount of the Group's interest in CMW Holding	**180,387**	179,567

15. DEFERRED TAXATION

The following are the major deferred tax assets recognised and movements thereon during both years:

	Difference between tax allowance and depreciation HK$'000	Impairment losses on trade receivables HK$'000	Total HK$'000
At 1 January 2014, 31 December 2014 and 2015	47	115	162

At 31 December 2015, the Group had unused tax losses of approximately HK$8,949,000 (2014: HK$7,941,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unused tax losses at the end of the reporting period will expire on 31 December of the following years:

	2015 HK$'000	2014 HK$'000
2015	**–**	249
2016	**2,010**	2,010
2017	**3,634**	3,634
2019	**1,721**	2,048
2020	**1,584**	–
	8,949	7,941

As at 31 December 2015, the Group has other deductible temporary differences of approximately HK$3,281,000 (2014: HK$4,272,000), which are mainly arising from impairment losses of trade receivables. No deferred tax asset has been recognised in relation to such other deductible temporary differences as it is not probable that taxable profit will be available for offset against which the deductible temporary differences can be utilised.

The EIT Law imposes withholding tax upon the distribution of profits earned by the Company's PRC subsidiaries on or after 1 January 2008 to their non-PRC shareholders. As at 31 December 2015, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the Company's PRC subsidiaries amounting to approximately HK$51,246,000 (2014: HK$38,133,000), respectively as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

16. INVENTORIES

	2015 HK$'000	2014 HK$'000
Raw materials	22,488	22,086
Work in progress	4,658	4,853
Finished goods	3,225	4,969
	30,371	31,908

17. TRADE AND OTHER RECEIVABLES

	2015 HK$'000	2014 HK$'000
Trade receivables	106,993	99,958
Bills receivables	5,841	6,989
Less: Impairment losses on trade receivables	(3,978)	(4,969)
Total trade and bills receivables	108,856	101,978
Other receivables	7,801	8,746
Total trade and other receivables	116,657	110,724

The Group allows credit period of 30 days to 90 days to its trade customers. The following is an aging analysis of trade receivables net of impairment losses presented based on the invoice date at the end of the reporting period. For customers who used bank bills to settle their trade receivables upon the expiry of the initial credit period, the aging analysis of bills receivables at the end of the reporting period was presented based on the date of issuance of the bills. All bills receivables will be matured within a period of 30 days to 180 days.

	Trade receivables		Bills receivables	
	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000
0-30 days	33,754	35,278	381	1,826
31–60 days	21,028	24,241	984	1,643
61–90 days	20,700	17,445	716	–
Over 90 days	27,533	18,025	3,760	3,520
	103,015	94,989	5,841	6,989

As at 31 December 2015, included in trade receivables, there were trade receivables due from subsidiaries of an associate of HK$9,611,000 (2014: HK$6,760,000). As at 31 December 2015, included in trade receivables, there was trade receivable due from a subsidiary of a non-controlling shareholder of HK$8,383,000 (2014: HK$7,159,000).

Before accepting any new customer, the Group will assess the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly. Trade receivables that are neither past due nor impaired have good track records with the Group.

17. TRADE AND OTHER RECEIVABLES *(Continued)*

As at 31 December 2015, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of HK$48,142,000 (2014: HK$35,300,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

	2015 HK$'000	2014 HK$'000
61–90 days	**20,609**	17,275
Over 90 days	**27,533**	18,025
	48,142	35,300

No interest is charged on the trade receivables. The Group has policy regarding impairment losses on trade receivables which is based on the evaluation of collectability and aging analysis of accounts and on management's judgement including the current creditworthiness and the past collection history of each customer.

Movement in the impairment losses on trade receivables is as follows:

	2015 HK$'000	2014 HK$'000
Balance at the beginning of the year	**4,969**	4,991
Net (reversal of impairment losses) impairment losses recognised	**(675)**	202
Amounts written off as uncollectible	**(316)**	(224)
Balance at the end of the year	**3,978**	4,969

As at 31 December 2015, included in the impairment losses on trade receivables are individually impaired trade receivables with an aggregate balance of HK$3,978,000 (2014: HK$4,969,000), that are considered irrecoverable by management after consideration on the credit quality of those individual customers, the ongoing relationship with the Group and the aging of these receivables. The Group does not hold any collateral over these balances.

18. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. As at 31 December 2015, the bank balances carry interest at prevailing market rate of 0.21% per annum (2014: 0.13%).

19. TRADE AND OTHER PAYABLES

	2015 HK$'000	2014 HK$'000
Trade payables to third parties	**21,053**	26,356
Accrued staff cost	**14,079**	11,227
Other payables and accruals	**4,922**	4,976
	40,054	42,559

The average credit period on purchases of goods is 90 days. The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

	Trade payables to third parties	
	2015 HK$'000	2014 HK$'000
0–30 days	**16,058**	17,168
31–60 days	**2,883**	4,515
61–90 days	**1,055**	2,449
Over 90 days	**1,057**	2,224
	21,053	26,356

20. DERIVATIVE FINANCIAL INSTRUMENTS

On 3 December 2013, the Group entered into a share transfer agreement and a shareholder's agreement (the "Shareholder's Agreement") with Teknos Group Oy, an independent third party (the "Purchaser"). Pursuant to these agreements, the Group agreed to dispose of its 20% equity interest in Manfield Teknos (Changzhou) Chemical Company Limited ("Manfield Changzhou") to the Purchaser at a cash consideration of approximately RMB10 million (or equivalent to approximately HK$13 million) reducing the Group's equity interest in Manfield Changzhou to 60% upon completion. In addition, the Group has a right ("Put Option") to dispose of its further 40% equity interests in Manfield Changzhou at a consideration pre-described in the Shareholder's Agreement (the "Price") for a period of five years from the date of the Shareholder's Agreement. According to the Shareholder's Agreement, the Purchaser has a right ("Call Option") to acquire further 40% equity interests in Manfield Changzhou from the Group at the Price starting from the sixth years from the date of the Shareholder's Agreement (no definite period set out in the Shareholder's Agreement) if the Group does not exercise its right to dispose of its 40% equity interests in Manfield Changzhou during the first five years period.

At the date of further disposal of 40% equity interests in Manfield Changzhou, the Price is determined at the higher of (i) 40% of the net assets value of Manfield Changzhou plus a premium at the date of such further disposal or (ii) 6 times of earnings before interest, taxes, depreciation and amortisation ("EBITDA") for the period of twelve months immediately before the date of such further disposal; or (iii) RMB20,500,000.

20. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

The Put Option and Call Option ("Options") are classified as derivative financial instruments at initial recognition.

	2015 HK$'000	2014 HK$'000
Options assets	**1,638**	965

The movement of the Options is set out below:

	HK$'000
At 1 January 2014	(102)
Change in fair value	1,067
At 31 December 2014	965
Change in fair value	673
At 31 December 2015	1,638

The fair values of Options at the end of the reporting period were determined by an independent valuer, Asset Appraisal Limited, using the Binominal Option Pricing Model. The inputs into the model are as follows:

	2015	2014
The Price	**RMB23,473,575**	RMB23,739,155
Equity value *(note a)*	**RMB23,473,575**	RMB23,739,155
Expected volatility *(note b)*	**32.95%**	29.38%
Time-to-maturity	**2.92**	3.92
Dividend yield	**0%**	0%
Risk-free rate *(note c)*	**2.57%**	3.50%

Notes:

(a) The equity value was determined with reference to net assets value of Manfield Changzhou plus a premium.

(b) Expected volatility for the Options is based on the historical daily price movements of comparable listed companies in the same industry. The expected volatility has been adjusted, based on management's best estimate, for the effects of non-marketability, exercise restrictions and behavioural considerations.

(c) The risk-free rate is determined by reference to the yield of China Government Bond with similar maturities.

The directors of the Company have represented that they have no intention to exercise the Put Option within twelve months from the end of the reporting period. Accordingly the respective derivative financial instruments are classified as non-current assets as at 31 December 2014 and 2015 respectively.

21. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

As at 31 December 2014, the amount was unsecured, non-interest bearing and repayable on demand. Out of the balance, HK$20,000,000 was repaid during the year ended 31 December 2015 and the remaining amount of HK$11,399,000 was waived by the ultimate holding company upon the listing of Company's shares on the Stock Exchange on 1 December 2015.

22. BANK BORROWING

	2015 **HK$'000**	2014 HK$'000
Bank borrowing		
Repayable on demand shown as current liabilities, unsecured	–	2,535

As at 31 December 2014, the Group had variable-rate bank borrowing of RMB2,000,000 (equivalent to HK$2,535,000), which was denominated in RMB and carried interest rate of 110% of Base Lending Rate stipulated by People's Bank of China. The effective interest rate of the Group's bank borrowing was 7.0% per annum. As at 31 December 2014, the Group's bank borrowing were supported by a corporate guarantee provided by Teknos Group Oy, a non-controlling shareholder of a subsidiary. During the year ended 31 December 2015, the bank borrowing was fully settled.

23. SHARE CAPITAL

	Number of shares	**Share capital** HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
On date of incorporation on 14 April 2014 and on 31 December 2014 *(note a)*	38,000,000	380
Increase on 6 November 2015 *(note b)*	9,962,000,000	99,620
At 31 December 2015	10,000,000,000	100,000
Issued:		
1 share allotted and issued, fully paid at par on the date of incorporation and on 31 December 2014 *(note a)*	1	–
Issue of shares on Reorganisation *(note c)*	99	–
Capitalisation issue *(note d)*	449,999,900	4,500
Issue of shares *(note e)*	150,000,000	1,500
At 31 December 2015	600,000,000	6,000

Share capital as at 31 December 2014 comprised the combined share capital of Rookwood Investments and the Company.

23. SHARE CAPITAL *(Continued)*

Notes:

a. On 14 April 2014, the Company was incorporated as an exempted company in the Cayman Islands with limited liability and registered with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. Upon its incorporation, one subscriber share was allotted and issued to Mr. Yuen for cash at par.

b. On 6 November 2015, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 shares to HK$100,000,000 divided into 10,000,000,000 shares by the creation of an additional 9,962,000,000 shares of HK$0.01 each.

c On 6 November 2015, through the Reorganisation, the Company acquired the entire issued share capital of Rookwood Investments in the consideration of the allotment and issue of 99 shares credited as fully paid.

d. Pursuant to the written resolution passed by the sole shareholder of the Company on 6 November 2015 conditional upon the share premium account of the Company being credited as a result of the initial public offering and listing of the Company's shares on the Stock Exchange, the directors were authorised to capitalise the amount of HK$4,499,999 from the amount standing to the credit of the share premium account of the Company to pay up in full at par of 449,999,900 shares for allotment and issue to the persons whose names appeared on the register of members of the Company at the close of business on 6 November 2015, pro-rata to their then existing shareholdings in the Company ("Capitalisation").

e. On 1 December 2015, the Company being credited as a result of the initial public offering and listing of the Company's shares on the Stock Exchange, the directors were authorised to capitalise the amount of HK$1,500,000 from the amount standing to the credit of the share premium account of the Company to pay up in full at par of 150,000,000 shares issue and shares for allotment and issue to public.

24. COMMITMENTS

(a) Capital commitments

	2015 HK$'000	2014 HK$'000
Capital expenditure in respect of the acquisition of:		
Property, plant and equipment contracted for but not provided in the consolidated financial statements	**1,263**	1,319

(b) Other commitments

	2015 HK$'000	2014 HK$'000
Proposed purchase of land contracted for but not provided in the consolidated financial statements *(note)*	**8,728**	3,415

Note: On 10 September 2012, the Group entered into a sale and purchase agreement with a company owned by Mr. Yuen to acquire two pieces of land located in the PRC at an aggregate cash consideration of RMB3,367,000 (equivalent to HK$4,154,000). Deposit of RMB673,000 (equivalent to HK$831,000) was paid during the year ended 31 December 2012. The remaining balance of RMB2,694,000 was included as commitment as at 31 December 2014 and 2015, equivalent to HK$3,415,000 and HK$3,216,000 respectively. The purchase of these two pieces of land had not yet been completed up to 31 December 2015.

On 22 May 2015, the Group entered into a sale and purchase agreement with the People's Government of Luoyang Town, Wujin District, Changzhou City to acquire a piece of land located in the PRC at a cash consideration of RMB6,579,000 (equivalent to HK$7,852,000). Deposit of RMB1,961,000 (equivalent to HK$2,340,000) was paid with the remaining balance of RMB4,618,000 (equivalent to HK$5,512,000) was included as commitment as at 31 December 2015. The purchase of the land had not yet been completed up to 31 December 2015.

25. OPERATING LEASE COMMITMENTS

The Group as lessor

At the end of the reporting period, the Group had contracted with subsidiaries of an associate for the following future minimum lease payments under non-cancellable operating leases in respect of rented office and factory premises which fall due as follows:

	2015 HK$'000	2014 HK$'000
Within one year	1,791	901
In the second to fifth year inclusive	1,350	–
	3,141	901

Lease was negotiated and monthly rentals were fixed for term of one to two years.

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of office and factory premises under non-cancellable operating leases which fall due as follows:

	2015 HK$'000	2014 HK$'000
Within one year	233	181
In the second to fifth year inclusive	28	150
	261	331

Leases are negotiated and monthly rentals are fixed for term of one to two years.

26. RELATED PARTY TRANSACTIONS

During the year, saved as disclosed elsewhere in the consolidated financial statements, the Group also had the following transactions with its related parties:

Relationship	Nature of transactions	2015 HK$'000	2014 HK$'000
Subsidiaries of an associate	Sales of goods	10,090	9,279
	Subcontracting fee income	30,729	31,826
	Management fee income	7,618	7,659
	Rental income	1,613	1,766
	Transportation fee income	2,242	2,420
	Purchase of goods	4,846	3,525
	Royalty fee income	5,491	6,264
	Dividend received	13,500	18,000
A subsidiary of a non-controlling shareholder	Rental income	770	777
	Sales of goods	14,081	22,192
	Purchase of goods	176	561
A non-controlling shareholder	Purchase of goods	489	–

As at 31 December 2014 and 2015, there is joint and several personal guarantee executed by Mr. Yuen and Mr. Ko Jack Lum to a bank for general banking facilities granted to the Group amounting to HK$25,000,000, for which no charge was paid by the Group. No amount has been drawn as at 31 December 2014 and 2015.

26. RELATED PARTY TRANSACTIONS *(Continued)*

Compensation of key management personnel

The remuneration of the executive directors, who represent the key management personnel of the Group, during the year were as follows:

	2015 HK$'000	2014 HK$'000
Short-term employee benefits	**3,789**	4,230
Post-employment benefits	**309**	329
	4,098	4,559

27. RETIREMENT BENEFITS SCHEMES

The Group participates in defined contribution schemes which are registered under the ORSO Scheme and the MPF Scheme established under the MPF Scheme Ordinance in December 2000. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

For members of the MPF Scheme, the Group and the employees contributes 5% of relevant payroll costs to the scheme. The maximum monthly contribution by the Group is limited to HK$1,250 per employee between the period of 1 January 2014 to 31 May 2014, and HK$1,500 per employee since 1 June 2014.

The ORSO Scheme is funded by monthly contributions by the Group at 7% of the employee's basic salary.

There are no forfeited contributions at the end of the reporting period which arose upon employees leaving the ORSO Scheme and which was available to reduce the contributions payable in future years.

Employees of the Company's PRC subsidiaries are required to participate in a defined contribution retirement scheme operated by the local municipal government. The PRC subsidiaries are required to contribute 10% of the employee payroll to such scheme to fund the retirement benefits of the employees.

The pension scheme contributions for the directors and employees, which have been dealt with in the consolidated statement of profit or loss for the year ended 31 December 2015 is HK$8,309,000 (2014: HK$7,230,000). No forfeited contributions have been applied to reduce the retirement benefits scheme contributions for the year.

28. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2015, amount due to ultimate holding company of HK$11,399,000 was waived and recognised in equity as shareholders' contribution.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt balance and equity balance. Equity balance consists of equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group review the capital structure on an on-going annual basis. As part of this review, the management of the Group consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new share issues and share repurchase as well as the issue of new debt.

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 HK$'000	2014 HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
— Derivative financial instruments	**1,638**	965
Loans and receivables (including cash and cash equivalents)	**310,818**	183,267
Financial liabilities		
Amortised costs	**38,246**	74,242

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables, amount due to ultimate holding company, bank borrowing and derivative financial instruments. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

(i) Market risk

Currency risk

Several subsidiaries of the Company have foreign currency transactions, which expose the Group to foreign currency risk.

At the end of the reporting period, the carrying amounts of the relevant group entities' foreign currency denominated monetary liabilities recognised in the consolidated financial statements are as follows:

	2015 HK$'000	2014 HK$'000
United States dollars ("US$")	**39**	178
Euro ("EUR")	**–**	7

The carrying amounts of foreign currency denominated intra-group balances which have been eliminated in the consolidated financial statements of which the functional currency of the relevant entity is RMB at the end of the reporting period are as follows:

	Amounts due to group entities	
	2015 HK$'000	2014 HK$'000
HK$	**32,714**	1,668

30. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(i) Market risk *(Continued)*

Currency risk *(Continued)*

Sensitivity analysis

As HK$ is pegged with US$ and the carrying amount of the EUR denominated liabilities are insignificant, the Group's currency risk in relation to foreign currency denominated monetary liabilities is expected to be minimal. Therefore, the following sensitivity analysis does not include the effect between US$ and HK$, and EUR and HK$.

The following sensitivity analysis includes only intra-group HK$ balances and adjusts its translation at the period end for a 10% change in HK$ rates against RMB. A positive number below indicates an increase in the post-tax profit for the year where HK$ weakening 10% against RMB. For a 10% strengthen of HK$ against RMB there would be an equal and opposite impact on the result for the year.

	2015 **HK$'000**	2014 HK$'000
Increase in post-tax profit for the year		
HK$	**2,454**	125

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to the Group's bank balances as well as variable-rate bank borrowing (see note 22 for details of the borrowing). It is the Group's policy to keep its borrowing at floating rates of interest so as to minimise the fair value interest rate risk.

The Group currently does not have interest rate hedging policy. However, management closely monitors its exposure to future cash flow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note. The Group's cash flow interest rate risk was mainly concentrated on the fluctuation of Base Lending Rate stipulated by People's Bank of China arising from the Group's variable-rate bank borrowing.

30. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(i) Market risk *(Continued)*

Interest rate risk *(Continued)*

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk on bank borrowings. The sensitivity analysis is prepared assuming the bank balances and bank borrowing outstanding at the end of the reporting period were outstanding for the whole period.

A 10 basis points for bank balances and 50 basis points for bank borrowing increase or decrease is used during the year, which represents management's assessment of the reasonably possible change in interest rates. If the interest rate had been 10 basis points or 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the years ended 31 December 2014 and 2015 would be:

	2015 **HK$'000**	2014 HK$'000
Increase/decrease	**93**	57

Other price risk

The Group is exposed to other price risk in respect of the derivative financial instruments (details set out in note 20) in relation to the disposal of further 40% equity interests in Manfield Changzhou. The management of the Group would manage its exposure arising from these derivative financial instruments by closely monitoring the change in fair value of the derivatives.

No sensitivity analysis is presented in the consolidated financial statements as in the opinion of the management of the Group, no significant changes in the fair value of the derivatives are expected.

(ii) Credit risk

As at 31 December 2014 and 2015, the maximum exposure to credit risk of the Group which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

In order to manage its credit risk, management of the Group has a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Credit sales of products are only made to customers with good repayment history. In addition, the Group reviews the recoverable amount of individual debt on an on-going basis to ensure that adequate impairment losses are made for irrecoverable amounts.

Net reversal of impairment losses of HK$675,000 in respect of the trade receivables recognised by the Group for the year ended 31 December 2015 (2014: net impairment losses recognised of HK$202,000).

The credit risk on liquid funds of the Group is limited because the counterparties are banks with good reputation. Other than concentration of credit risk in certain bank balances which are deposited with a bank with high credit rating, the Group does not have any other significant concentration of credit risk.

30. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(iii) Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigates the effects of fluctuations in cash flows.

As at 31 December 2014 and 2015, the Group has available unutilised general banking facilities of HK$25,000,000 supported by a joint and several personal guarantee provided by Mr. Yuen and Ko Jack Lum. As at 31 December 2014 and 2015, no amount was being utilised by the Group.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities which has been drawn up based on the undiscounted cash flows of the non-derivative financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

	Effective interest rate %	On demand or less than 1 month HK$'000	1–3 months HK$'000	Total undiscounted cash flow HK$'000	Total carrying amount HK$'000
As at 31 December 2015					
Non-derivative financial liabilities					
Trade and other payables	**–**	**19,008**	**19,238**	**38,246**	**38,246**
As at 31 December 2014					
Non-derivative financial liabilities					
Trade and other payables	–	19,501	20,807	40,308	40,308
Amount due to ultimate holding company	–	31,399	–	31,399	31,399
Bank borrowing	7.0	2,535	–	2,535	2,535
		53,435	20,807	74,242	74,242

As at 31 December 2014, bank borrowing with a repayment on demand clause amounted to HK$2,535,000. Taking into account the Group's financial position, management does not believe that it is probable that the bank will exercise its discretionary right to demand immediate repayment. Management of the Group believes that such bank borrowing of the Group will be repaid after the end of reporting period in accordance with the scheduled repayment dates set out in the loan agreement. At that time, the aggregate principal and interest cash outflows will amount to HK$2,579,000.

For the purpose of managing liquidity risk, management reviews the expected cash flow information of the Group's bank borrowing based on the scheduled repayment dates set out in the bank borrowing agreement as set out in the table below:

	Effective interest rate %	On demand or less than 1 months HK$'000	1–3 months HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Bank borrowing:					
As at 31 December 2014	7.0	–	2,579	2,579	2,535

30. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair value as at 31 December 2015	Fair value as at 31 December 2014	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Options classified as derivative financial instruments	Assets – HK$1,638,000	Assets – HK$965,000	Level 3	Binominal Option Pricing Model The key inputs are risk-free interest rate, equity value of Manfield Changzhou, expected volatility, dividend yield and the Price.	Equity value of Manfield Changzhou, the Price and expected volatility

There were no transfers between Level 1 and 2 during both years.

Reconciliation of Level 3 fair value measurements of derivative financial instruments

	HK$'000
At 1 January 2014	(102)
Change in fair value — unrealised	1,067
At 31 December 2014	965
Change in fair value — unrealised	673
At 31 December 2015	1,638

30. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Reconciliation of Level 3 fair value measurements of derivative financial instruments *(Continued)*

Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, where Level 1 inputs are not available, the management of the Group work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The qualified external valuers were engaged to perform the valuations of the options required for financial reporting purposes, including Level 3 fair value measurements of derivative financial instruments. Information about the valuation techniques and inputs used in determining the fair value of derivative financial instruments are disclosed above and in note 20.

(d) Fair value of the Group's financial assets and financial liabilities that are measured at amortised cost

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using discounted cash flows analysis. The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

31. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	As at 31 December 2015 HK$'000	As at 31 December 2014 HK$'000
Non-current asset		
Unlisted investment in a subsidiary	**119,072**	–
Current assets		
Other receivable	**335**	–
Amounts due from subsidiaries	**1,019**	–
Bank balances and cash	**118,702**	–
	120,056	–
Current liability		
Amount due to a fellow subsidiary	**–**	(12,400)
Other payable	**(80)**	–
Net current assets (liability)	**119,976**	(12,400)
Total assets less current liability	**239,048**	(12,400)
Capital and reserves		
Share capital	**6,000**	–
Reserves	**233,048**	(12,400)
Total equity	**239,048**	(12,400)

Movement in reserves	**Share premium** HK$'000	**Other reserve** HK$'000 (note)	**Accumulated losses** HK$'000	**Total** HK$'000
At 14 April 2014 (date of incorporation)	–	–	–	–
Loss and total comprehensive expense for the period	–	–	(12,400)	(12,400)
At 31 December 2014	–	–	(12,400)	(12,400)
Loss and total comprehensive expense for the year	–	–	(7,429)	(7,429)
Issue of shares on Reorganisation	78	118,994	–	119,072
Capitalisation issue of shares	(4,500)	–	–	(4,500)
Issue of shares	148,500	–	–	148,500
Transaction costs attributable to issue of shares	(10,195)	–	–	(10,195)
At 31 December 2015	133,883	118,994	(19,829)	233,048

Note: The other reserve represents the total equity of Rookwood Investments upon the Company became the holding company of Rookwood Investments.

32. PARTICULAR OF SUBSIDIARIES

Name of subsidiary	Place and date of incorporation/ establishment	Country/ place of operation	Issued and fully paid share capital/ registered capital	Attributable equity interest of the Group as at 2015	2014	Principal activities
Rookwood Investments	BVI 18 October 2000	Hong Kong	US$10,000 Ordinary shares	**100%**	100%	Investment holding
Manfield Coatings Company Limited	Hong Kong 6 June 1986	Hong Kong	HK$1,000 Ordinary shares HK$32,000,000 Non-voting class A shares *(note i)*	**100%**	100%	Investment holding and trading of coatings
Manfield Chemical Limited	Hong Kong 15 August 1989	Hong Kong	HK$10,000 Ordinary shares	**100%**	100%	Investment holding
Springfield Chemical Company Limited	Hong Kong 11 March 2005	Hong Kong	HK$1 Ordinary shares	**100%**	100%	Investment holding
Manfield Chemical Holdings Hong Kong Limited	Hong Kong 21 March 2014	Hong Kong	HK$1 Ordinary shares	**100%**	100%	In the process of deregistration
深圳松輝化工有限公司 Shenzhen Pinefield Chemical Enterprises Company Ltd *(notes ii and vii)*	PRC 19 June 1990	PRC	US$5,500,000 Paid-up registered capital	**100%**	100%	Manufacturing of coatings
廣州市彩輝化工有限公司 Champion Chemical (Guangzhou) Company Limited *(notes ii, v and vii)*	PRC 4 December 2002	PRC	HK$3,000,000 Paid-up registered capital	**100%**	100%	Manufacturing of coatings
萬輝泰克諾斯（常州）化工有限公司 (前稱為常州萬輝化工有限公司) Manfield Teknos (Changzhou) Chemical Company Limited (formerly known as Manfield Chemical (Changzhou) Limited *(notes ii and vii)*	PRC 17 January 2007	PRC	HK$55,000,000 Paid-up registered capital *(note vi)*	**60%**	60%	Manufacturing of coatings
廣州源輝化工有限公司 Springfield Chemical (Guangzhou) Company Limited *(notes ii and vii)*	PRC 12 March 2009	PRC	RMB70,000,000 Paid-up registered capital *(note vi)*	**100%**	100%	Manufacturing of coatings
蘇州科思特涂料有限公司 Suzhou Kesite Coatings Company Limited *(notes iii and vii)*	PRC 10 June 2010	PRC	RMB3,000,000 Paid-up registered capital	**100%**	100%	Trading of coatings
福州艾薩商貿有限責任公司 Fuzhou Aisa Trading Company Limited *(notes iii, iv and vii)*	PRC 4 April 2014	PRC	RMB1,000,000 Paid-up registered capital	**65%**	65% *(note iv)*	Not yet commence business

32. PARTICULAR OF SUBSIDIARIES *(Continued)*

Notes:

(i) The non-voting class A shares practically carry no rights to dividends, no rights to attend or vote at general meetings and no rights to receive any surplus assets in a return of capital in a winding-up.

(ii) The companies are registered in the form of wholly owned foreign enterprises.

(iii) The companies are registered in the form of domestic limited liability company.

(iv) The subsidiary was incorporated on 4 April 2014. The registered capital of the subsidiary from the Group and non-controlling interest has been paid up at August 2014.

(v) The subsidiary applied deregistration with local government authority. As at 31 December 2014 and 2015, the deregistration is still in process.

(vi) During the year ended 31 December 2014, additional capital injection of HK$7,800,000 and HK$5,200,000 were made by the Group and the non-controlling interest respectively. After the capital injection, Manfield Changzhou's paid-up registered capital increased from HK$42,000,000 to HK$55,000,000.

(vii) English translated name is for identification only.

FINANCIAL SUMMARY

	For the year ended 31 December				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**331,572**	328,047	314,442	288,802	303,421
Profit (loss) for the year attributable to					
Owners of the Company	**44,305**	41,431	62,872	34,202	58,177
Non-controlling interests	**(360)**	584	408	(832)	(401)
	43,945	42,015	63,280	33,370	57,776

	As at 31 December				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Total assets	**684,209**	573,522	542,523	560,059	545,920
Total liabilities	**(42,381)**	(76,891)	(82,125)	(81,286)	(70,544)
	641,828	496,631	460,398	478,773	475,376
Equity attributable to the owners of the Company	**625,113**	478,523	448,482	473,446	469,216
Non-controlling interests	**16,715**	18,108	11,916	5,327	6,160
	641,828	496,631	460,398	478,773	475,376