



中國鋁罐控股有限公司

China Aluminum Cans Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 6898

2016
INTERIM REPORT

Contents

Corporate information	2
Business at a Glance	4
Management Discussion and Analysis	5
Report on Review of Interim Condensed Consolidated Financial Statements	9
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Interim Condensed Consolidated Statement of Financial Position	11
Interim Condensed Consolidated Statement of Changes in Equity	13
Interim Condensed Consolidated Statement of Cash Flows	15
Notes to the Interim Condensed Consolidated Financial Statements	17
Other Information	44

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lin Wan Tsang (*Chairman*)
Mr. Dong Jiangxiong
Ms. Ko Sau Mee
Mr. Lin Hing Lung

Non-executive Director

Mr. Kwok Tak Wang

Independent Non-executive Directors

Dr. Lin Tat Pang
Ms. Guo Yang
Mr. Chung Yi To
Mr. Yip Wai Man Raymond

COMMITTEES OF THE BOARD

Audit Committee

Mr. Yip Wai Man Raymond (*Chairman*)
Mr. Chung Yi To
Ms. Guo Yang
Dr. Lin Tat Pang

Remuneration Committee

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

Nomination Committee

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

Risk Management Committee

Mr. Chung Yi To (*Chairman*)
Mr. Kwok Tak Wang
Dr. Lin Tat Pang
Mr. Yip Wai Man Raymond

AUTHORISED REPRESENTATIVES

Mr. Lin Wan Tsang
Ms. Ho Wing Yan

COMPANY SECRETARY

Ms. Ho Wing Yan

REGISTERED OFFICE

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

HEADQUARTERS OF BUSINESS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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



Corporate Information

AUDITORS

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

CAYMAN ISLANDS PRINCIPAL REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

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

STOCK CODE

6898

WEBSITE FOR THE COMPANY

www.6898hk.com



Business at a Glance

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

Our revenue is primarily derived from (i) the sale of aluminum aerosol cans; and (ii) the sale of aerosol and non-aerosol products. For the six months ended 30 June 2016, with the productivity enhancement driven by the acquisition of an automated production line in November 2015, the Group achieved a steady growth in production and sales in an orderly manner. While due to the impact of depreciation of RMB against HK\$, the Group’s revenue for the six months ended 30 June 2016 recorded a slight decrease of approximately 2.5% as compared to the same period in 2015. For the six months ended 30 June 2016, revenue derived from the sale of aluminum aerosol cans was approximately HK\$120.8 million (2015: HK\$114.6 million) and the sale of aerosol and non-aerosol products was approximately HK\$227.9 million (2015: HK\$243.2 million), representing approximately 34.6% and 65.4% of the Group’s revenue, respectively.

Operating Environment and Prospects

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

Amid the rapidly changing market environment, the Group will continue to (i) leverage the R&D capability to develop new products with high gross profits and high demand, while diversifying the products of the Group; (ii) optimize and integrate internal resources aggressively to consolidate business foundation; and (iii) invest further in upgrading the existing production facilities with more advanced machinery and equipment to enhance our product quality, production capacity and efficiency in order to cope with the recent development trends in the market.

Management Discussion and Analysis

FINANCIAL REVIEW

Turnover

Aluminum aerosol cans segment

For the six months ended 30 June 2016, the Group's aluminum aerosol cans segment has recorded a turnover of approximately HK\$120.8 million (2015: HK\$114.6 million), representing an increase of approximately 5.4% as compared to the corresponding period of 2015. The number of aluminum aerosol cans sold by the Group for the six months ended 30 June 2016 was approximately 81.6 million (2015: 75.1 million).

Aerosol and non-aerosol products segment

For the six months ended 30 June 2016, our aerosol and non-aerosol products segment has generated revenue amounting to approximately HK\$227.9 million (2015: HK\$243.2 million) representing a decrease of approximately 6.3% as compared to the corresponding period of 2015.

PRC and oversea customers

Our PRC customers and oversea customers contributed approximately HK\$248.1 million (2015: HK\$242.5 million) and HK\$100.6 million (2015: HK\$115.3 million) to the total revenue of the Group. There was a decrease of approximately 12.7% in sales from our oversea customers which is primarily due to the fact that we strategically reduced a portion of export sales order which has low profit margin.

Cost of Sales

For the six months ended 30 June 2016, cost of sales of the Group amounted to approximately HK\$224.5 million (2015: HK\$257.2 million), which represent approximately 64.4% (2015: 71.9%) of the turnover in the period. There was a decrease of approximately 12.7% in cost of sales which was mainly due to the improvement of procurement process leading to a reduction in production costs. The reduction in production costs was attributable to (i) fall in global aluminum price and international crude oil prices; and (ii) the cost of procurement of solvents such as isohexane, dimethyl ether, coal gas, odorless kerosene, methylbenzene, acetone and butyl acetate, being major raw materials for the production of the Company's aerosol and paste canned environmental fine chemical products, significantly decreased for the six months ended 30 June 2016 as compared to the corresponding period of last year due to continuous decline of international crude oil prices.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit amounted to approximately HK\$124.2 million for the six months ended 30 June 2016 (2015: HK\$100.6 million), representing an increase of approximately 23.5% as compared to the corresponding period of 2015. The gross profit margin increased from approximately 28.1% for the six months ended 30 June 2015 to approximately 35.6% for the corresponding period of 2016.

Other Income and Gains

Other income and gains mainly comprises sale of scrap materials, bank interest income, government grants and exchange gains. For the six months ended 30 June 2016, other income and gains of the Group was approximately HK\$8.9 million (2015: HK\$11.6 million), representing a decrease of approximately HK\$2.7 million as compared to the corresponding period of 2015. Such decrease was primarily due to the decrease in net fair value gains of derivative instruments of approximately HK\$2.9 million for the six months ended 30 June 2016.

Selling and Distribution Costs

Selling and distribution costs mainly consist of transportation expenses and declaration charges for delivery of products to customers, salaries, performance bonuses and employee benefits expenses for the sales and marketing staff, related business travel and entertainment expenses, and advertisement and promotion costs. For the six months ended 30 June 2016, selling and distribution costs were approximately HK\$23.1 million (2015: HK\$24.1 million), representing a decrease of approximately 4.1% as compared to the corresponding period of 2015. The decrease was primarily due to better cost control on selling and distribution costs.

Management Discussion and Analysis

Administrative Expenses

Administrative expenses mainly represent the salaries and benefits of the administrative and management staff, professional consulting fees, depreciation and other miscellaneous administrative expenses. For the six months ended 30 June 2016, administrative expenses was approximately HK\$22.5 million (2015: HK\$22.6 million), representing a decrease of approximately HK\$0.1 million. The slight decrease in administrative expenses was primarily due to the decrease in business taxes and surcharges of HK\$4.3 million (2015: HK\$5.8 million) which was offset by the increase in salaries and benefit of HK\$7.7 million (2015: HK\$6.7 million).

Finance Costs

For the six months ended 30 June 2016, the finance costs of the Group was approximately HK\$1.7 million (2015: HK\$3.2 million), representing a decrease of approximately 46.9% as compared to the corresponding period of 2015. The decrease in finance cost was mainly due to the decrease in average monthly bank borrowings.

Net Profit

The Group's net profit amounted to approximately HK\$56.4 million for the six months ended 30 June 2016 (2015: HK\$35.7 million), representing an increase of approximately 58.0% as compared to the corresponding period in 2015. Net profit margin for the six months ended 30 June 2016 was approximately 16.2% (2015: 10.0%), representing an increase of approximately 6.2% as compared to the corresponding period of 2015. Significant increase in net profit was primarily due to i) change in sales mix; ii) improving procurement process leading to a reduction in production cost; and iii) productivity enhancement driven by the acquisition of an automated production line in November 2015.

LIQUIDITY AND CAPITAL RESOURCES

Net Current Assets

The Group had net current assets of approximately HK\$140.7 million (2015: HK\$170.3 million). The current ratio of the Group was approximately 1.8 as at 30 June 2016 (31 December 2015: 2.0).

Borrowings and the Pledge of Assets

The bank borrowings of the Group, which were secured by our properties, plant and equipment, land use rights and pledged bank deposits amounted to approximately HK\$51.3 million (of which HK\$49.2 million, HK\$1.5 million and HK\$0.5 million are denominated in RMB, US\$ and HK\$ respectively) as at 30 June 2016 with maturity date from 2016 to 2018 (31 December 2015: HK\$61.1 million). Except for the finance lease payable which is charged at 4.11%, all other bank borrowings are charged with reference to bank's preferential floating rates.

As at 30 June 2016, we had available unutilized banking facilities of approximately HK\$187.2 million (31 December 2015: HK\$127.8 million). Further details of the Group's bank borrowings are set out in note 19.

Gearing Ratio

As a result of decrease in cash and cash equivalent and increase in total borrowings of the Group, the gearing ratio which is calculated by dividing total borrowings by total equity, increased to approximately -2% as at 30 June 2016 (31 December 2015: -10%). Further details of the Group's bank borrowings are set out in note 19 of the notes to the interim condensed consolidated financial statements.

CAPITAL STRUCTURE

As at 30 June 2016, the total number of issued shares of the Company (the "Shares") was 632,911,000 (31 December 2015: 624,143,000).



Management Discussion and Analysis

FOREIGN EXCHANGE EXPOSURE AND EXCHANGE RATE RISK

Approximately 28.9% of the Group's revenue for the six months ended 30 June 2016 were denominated in US\$. However, approximately 90% of the production costs were settled in RMB. Therefore, there is a currency mismatch between US\$ revenue and RMB production costs, which gives rise to exposure to foreign exchange risk. Furthermore, there is a time lag between invoicing and final settlement from customers of export sales. The Group is exposed to foreign exchange risks if the foreign exchange rate at which the US\$ sales proceeds received from export sales is different from the rate at which the Group used to book the US\$ sales transactions at the time of sales.

We have entered into foreign currency forward contracts with state-owned banks in the PRC to hedge the foreign exchange risks arising out of the currency mismatch between the US\$ sales proceeds from our export sales and our predominantly RMB based operations in the PRC. As a result of the depreciation of RMB against US\$, we managed to account for approximately HK\$0.2 million of realized loss on the forward contracts for the six months ended 30 June 2016.

As at 30 June 2016, we had outstanding foreign currency forward contracts with notional amounts of approximately US\$3 million. A fair value loss on the outstanding foreign currency forward contracts of approximately HK\$0.1 million had been recognized for the six months ended 30 June 2016.

FORWARD PURCHASE OF ALUMINUM INGOTS

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

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

As at 30 June 2016, we had no outstanding forward purchases of aluminum ingots as the aluminum price was relatively stable during the six months ended 30 June 2016.

EMPLOYEES AND EMOLUMENTS POLICY

As at 30 June 2016, the Group had employed a total of 747 employees. The staff costs, including directors' emoluments but excluding any contributions to pension scheme, were approximately HK\$28.7 million for the six months ended 30 June 2016 (2015: HK\$23.9 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance and share options are granted to attract and retain eligible employees of the Group. The emoluments of Directors have been determined with reference to the skills, knowledge, and involvement in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the period.

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2016, the Group did not have any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2016, the Group had no acquisition or disposal of subsidiaries, associates or joint ventures.

Management Discussion and Analysis

USE OF PROCEEDS

Our business objectives and planned use of proceeds as stated in the prospectus dated 28 June 2013 (the "Prospectus") were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus. The actual use of proceeds was based on the actual market development. The net proceeds from the public offer and placing of our Shares (the "Share Offer") were approximately HK\$80 million. During the six months ended 30 June 2016, the net proceeds from the Share Offer are summarized as follows:

Business objectives as stated in the prospectus	Actual net proceeds <i>(HK\$ million)</i>	Amount utilized up to 31 December 2015 <i>(HK\$ million)</i>	Utilized net proceeds from Share Offer for the six months ended 30 June 2016 <i>(HK\$ million)</i>	Balance as at 30 June 2016 <i>(HK\$ million)</i>
Partially fund the expansion of our production capacity, including the upgrade of our existing production lines and the acquisition of a brand new production line for aluminum aerosol cans	48.0	48.0	-	-
Establish a new research and development laboratory	12.0	-	-	12.0
Partially repay US\$ denominated bank loan	16.0	16.0	-	-
General working capital purposes	4.0	4.0	-	-
	80.0	68.0	-	12.0

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

COMMITMENT

As at 30 June 2016, the Group's operating lease and capital commitment amounted to HK\$0.8 million (31 December 2015: HK\$1.1 million) and HK\$0.6 million (31 December 2015: HK\$37.1 million), respectively.

CONTINGENT LIABILITIES

As at 30 June 2016, the Group had no significant contingent liabilities (31 December 2015: Nil).

Report on Review of Interim Condensed Consolidated Financial Statements



**Building a better
working world**

To the board of directors of China Aluminum Cans Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements set out on pages 10 to 43, which comprise the interim condensed consolidated statement of financial position of China Aluminum Cans Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2016 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended and the explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board.

The directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants

22nd Floor

CITIC Tower

1 Tim Mei Avenue, Central

Hong Kong

29 August 2016

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Six months ended 30 June 2016

	Notes	Six months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
REVENUE	4	348,739	357,777
Cost of sales		(224,538)	(257,173)
Gross profit		124,201	100,604
Other income and gains, net	4	8,901	11,557
Selling and distribution expenses		(23,063)	(24,068)
Administrative expenses		(22,452)	(22,632)
Research and development expenses		(13,645)	(14,468)
Other expenses		(980)	(2,430)
Finance costs	5	(1,711)	(3,198)
PROFIT BEFORE TAX	6	71,251	45,365
Income tax expense	7	(14,845)	(9,704)
PROFIT FOR THE PERIOD		56,406	35,661
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(10,855)	705
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		45,551	36,366
Profit attributable to:			
Owners of the parent		56,094	35,450
Non-controlling interests		312	211
		56,406	35,661
Total comprehensive income attributable to:			
Owners of the parent		45,239	36,155
Non-controlling interests		312	211
		45,551	36,366
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic		HK9.0 cents	HK8.4 cents
Diluted		HK7.4 cents	HK8.3 cents

Proposed interim dividends are disclosed in note 8 to the interim condensed financial statements.

Interim Condensed Consolidated Statement of Financial Position

30 June 2016

	Notes	30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	334,876	295,907
Prepaid land lease payments	11	67,083	69,494
Deferred tax assets		1,306	1,409
Non-current prepayments	15	10,507	21,242
Total non-current assets		413,772	388,052
CURRENT ASSETS			
Inventories	12	70,556	65,313
Trade and bills receivables	13	79,855	69,416
Prepayments, deposits and other receivables	15	11,374	13,425
Due from related parties		5,759	2,556
Pledged bank deposits	16	8,946	8,447
Cash and cash equivalents	16	137,651	179,551
Total current assets		314,141	338,708
CURRENT LIABILITIES			
Trade and bills payables	17	70,023	62,808
Other payables and accruals	18	54,997	53,974
Interest-bearing bank borrowings	19	38,917	41,282
Derivative financial instruments	14	556	424
Tax payable		8,263	5,981
Due to related parties		385	3,600
Deferred income	21	282	304
Total current liabilities		173,423	168,373
NET CURRENT ASSETS		140,718	170,335
TOTAL ASSETS LESS CURRENT LIABILITIES		554,490	558,387

Interim Condensed Consolidated Statement of Financial Position

30 June 2016

	Notes	30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	19	12,341	19,802
Deferred tax liabilities		1,030	1,030
Deferred income	21	2,697	2,894
Total non-current liabilities		16,068	23,726
Net assets		538,422	534,661
EQUITY			
Equity attributable to owners of the Parent			
Share capital	22	6,329	6,241
Equity component of convertible notes	24	636,360	645,000
Treasury stock	25	(28,831)	–
Reserves		(79,586)	(120,509)
Non-controlling interests		4,150	3,929
Total equity		538,422	534,661

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Director

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Director

Interim Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2016

	Issued capital HK\$'000 (note 22)	Treasury stock HK\$'000 (note 25)	Share		Merger reserve HK\$'000	Equity component of		Reserve funds HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Proposed dividends HK\$'000	Non controlling Total interests HK\$'000	Total equity HK\$'000	
			premium reserve HK\$'000	Contributed surplus HK\$'000		Share option reserve HK\$'000 (note 23)	of convertible notes HK\$'000 (note 24)							
At 1 January 2016	6,241	-	394,704	111,196	(889,089)	4,446	645,000	56,039	1,870	186,594	13,731	530,732	3,929	534,661
Profit for the period	-	-	-	-	-	-	-	-	-	56,094	-	56,094	312	56,406
Other comprehensive income for the period:														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(10,855)	-	-	(10,855)	-	(10,855)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(10,855)	56,094	-	45,239	312	45,551
Exercise the conversion rights attached to the convertible notes	80	-	8,560	-	-	-	(8,640)	-	-	-	-	-	-	-
Stock repurchase	-	(28,831)	-	-	-	-	-	-	-	-	-	(28,831)	-	(28,831)
Transfer from retained profits	-	-	-	-	-	-	-	6,512	-	(6,512)	-	-	-	-
Lapse of share options	-	-	-	-	-	(282)	-	-	-	-	-	(282)	-	(282)
Exercise of share options	8	-	931	-	-	(401)	-	-	-	-	-	538	-	538
Equity-settled share option arrangements	-	-	-	-	-	609	-	-	-	-	-	609	-	609
Dividends paid	-	-	(2)*	-	-	-	-	-	-	-	(13,731)*	(13,733)	(91)	(13,824)
Proposed dividends	-	-	(8,610)	-	-	-	-	-	-	-	8,610	-	-	-
At 30 June 2016	6,329	(28,831)	395,583 ^e	111,196 ^e	(889,089) ^f	4,372 ^e	636,360	62,551 ^e	(8,985) ^f	236,176 ^e	8,610 ^e	534,272	4,150	538,422

Note:

These reserve accounts comprise the debit consolidated reserves of HK\$79,586,000 as at 30 June 2016 (31 December 2015: HK\$120,509,000) in the interim condensed consolidated statement of financial position.

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

Interim Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2016

	Issued capital	Share premium reserve	Contributed surplus	Merger Reserve	Share option reserve	Reserve funds	Exchange fluctuation reserve	Retained profits	Proposed final dividends	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 22)				(note 23)							
At 1 January 2015	4,049	72,170	111,196	10,911	5,056	47,023	28,389	117,007	8,900	404,701	4,026	408,727
Profit for the period	-	-	-	-	-	-	-	35,450	-	35,450	211	35,661
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	705	-	-	705	-	705
Total comprehensive income for the period	-	-	-	-	-	-	705	35,450	-	36,155	211	36,366
Business combination under common control	-	-	-	(900,000)	-	-	-	-	-	(900,000)	-	(900,000)
Placing shares	909	199,606	-	-	-	-	-	-	-	200,515	-	200,515
Transfer from retained profits	-	-	-	-	-	1,526	-	(1,526)	-	-	-	-
Equity-settled share option arrangements	-	-	-	-	1,413	-	-	-	-	1,413	-	1,413
Dividends paid	-	(1,103)	-	-	-	-	-	-	(8,900)	(10,003)	(201)	(10,204)
At 30 June 2015	4,958	270,673 [#]	111,196 [#]	(889,089) [#]	6,469 [#]	48,549 [#]	29,094 [#]	150,931 [#]	-	(267,219)	4,036	(263,183)

Interim Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2016

	Notes	Six months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		71,251	45,365
Adjustments for:			
Finance costs	5	1,711	3,198
Bank interest income	4	(133)	(336)
Fair value losses/(gains), net:			
Derivative instruments – transactions not qualifying as hedges	4	142	(2,915)
Share option expense	23	327	1,413
Depreciation	10	14,792	16,009
Amortisation of land lease prepayments	11	870	944
(Reversal)/impairment of trade receivables		(470)	717
Increase in inventories		(5,243)	(1,944)
Increase in trade and bills receivable		(9,995)	(535)
Decrease in prepayments, deposits and other receivables		2,112	8,002
Increase/(decrease) in trade payables		7,600	(14,687)
Decrease in other payables and accruals		(1,000)	(4,798)
Increase in an amount due from related parties		(3,177)	(146)
(Decrease)/increase in an amount due to related parties		(3,600)	6,637
Cash received from operations		75,187	56,924
Withholding tax paid		(4,807)	(890)
PRC tax paid		(8,368)	(7,744)
Net cash flows from operating activities		62,012	48,290
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(60,500)	(18,819)
Increase in pledged deposits		(499)	(24,070)
Interest received from bank		133	336
Acquisition of a subsidiary		–	(100,000)
Decrease in long-term prepayment		10,735	733
Net cash flows used in investing activities		(50,131)	(141,820)

Interim Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2016

	Notes	Six months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
New Placing Shares	22	–	200,515
New bank loans		–	149,277
Repayment of bank loans		(9,826)	(167,546)
Interest paid		(1,711)	(3,198)
Stock repurchase		(28,831)	–
Exercise of share options		538	–
Dividends paid to non-controlling interests		(91)	(201)
Dividends paid to owners of the parent		(13,733)	(10,003)
Net cash flows from/(used in) financing activities		(53,654)	168,844
NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS			
Exchange realignment		(127)	1,461
Cash and cash equivalents at beginning of period		179,551	105,319
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	137,651	182,094



Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

1. CORPORATE INFORMATION

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

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

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

2. BASIS OF PREPARATION AND IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

2. BASIS OF PREPARATION AND IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

2.2 Impact of new and revised international financial reporting standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except for the adoption of the new or revised standards, interpretation and amendments as of 1 January 2016, noted below:

IFRS 14	Regulatory Deferral Accounts
Amendments to IFRS 11 Joint Arrangements	Accounting for Acquisitions of Interests
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 16 and IAS 41 Agriculture	Bearer Plants
Amendments to IAS 27	Equity Method in Separate Financial Statements
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs
Amendments to IAS 1	Disclosure Initiative
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities	Applying the Consolidation Exception

The adoption of the above new or revised standards, interpretation and amendments has had no material financial effect on the accounting policies of the Group and the methods of computation in the interim condensed consolidated financial statements.

In addition, during the current period, the Group repurchased certain of its own shares and accordingly the accounting policy for treasury stock is adopted by the Group and described below.

Treasury Stock

Own equity instruments which are reacquired and held by the Company or the Group (treasury stock) are recognised directly in equity at cost. No gain or loss is recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION

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

For management purpose, the Group is organized into business units based on their products and services.

Period ended 30 June 2016	Aluminum aerosol cans HK\$'000	Aerosol and non-aerosol products HK\$'000	Total HK\$'000
Segment revenue:			
Sales to customers	120,823	227,916	348,739
Intersegment sales	24,737	3,242	27,979
Total	145,560	231,158	376,718
Reconciliation:			
Elimination of intersegment sales			(27,979)
Revenue			348,739
Segment results	26,822	45,654	72,476
Reconciliation:			
Interest income			133
Corporate and other unallocated expenses			353
Finance costs			(1,711)
Profit before tax			71,251

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION *(continued)*

Period ended 30 June 2016	Aluminum aerosol cans HK\$'000	Aerosol and non-aerosol products HK\$'000	Total HK\$'000
Segment assets	371,244	237,035	608,279
Reconciliation:			
Elimination of intersegment receivables			(29,629)
Corporate and other unallocated assets			149,263
Total assets			727,913
Segment liabilities	55,008	99,300	154,308
Reconciliation:			
Elimination of intersegment payables			(29,103)
Corporate and other unallocated liabilities			64,286
Total liabilities			189,491
Other segment information:			
Depreciation and amortisation	9,679	5,984	15,663
Capital expenditure	47,715	1,895	49,610
Impairment losses recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income	–	(470)	(470)

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION *(continued)*

Period ended 30 June 2015	Aluminum aerosol cans HK\$'000	Aerosol and non-aerosol products HK\$'000	Total HK\$'000
Segment revenue:			
Sales to customers	114,597	243,180	357,777
Intersegment sales	27,912	4,672	32,584
Total	142,509	247,852	390,361
Reconciliation:			
Elimination of intersegment sales			(32,584)
Revenue			357,777
Segment results	37,697	74,128	111,825
Reconciliation:			
Interest income			336
Corporate and other unallocated expenses			(63,598)
Finance costs			(3,198)
Profit before tax			45,365

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION *(continued)*

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

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION *(continued)* Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Mainland China	248,115	242,532
Africa	9,455	11,112
America	1,961	17,468
Asia & others	12,774	18,373
Middle East	19,930	24,550
Japan	56,504	43,742
	348,739	357,777

The revenue information above is based on the shipment destinations.

(b) Non-current assets

	2016 HK\$'000	2015 HK\$'000
Japan	94	–
Hong Kong	671	781
Mainland China	411,701	385,862
	412,466	386,643

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

Information about a major customer

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

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

4. REVENUE AND OTHER INCOME AND GAINS, NET

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold after allowances for returns and trade discounts, for the six months ended 30 June 2016.

An analysis of revenue and other income and gains is as follows:

	Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Revenue		
Sale of goods	348,739	357,777
Other income and gains, net		
Sale of scrap materials	2,796	3,043
Bank interest income	133	336
Government grants		
— Related to assets* (note 21)	150	161
— Related to income**	1,179	29
Fair value gains, net:		
Derivative instruments — transactions not qualifying as hedges	—	2,915
Exchange gains, net	1,314	1,271
Income from R&D design	2,663	3,173
Others	666	629
	8,901	11,557

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

** Various government grants of HK\$1,179,098 (2015: HK\$29,000) represent cash payments and subsidies provided by the local government authorities to the Group as an encouragement for its technological innovation and overseas sales. There are no unfulfilled conditions or contingencies relating to these grants.

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

5. FINANCE COSTS

	Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Interest on bank loans wholly repayable within five years	1,702	3,185
Interest on finance lease	9	13
	1,711	3,198

6. PROFIT BEFORE TAX

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

	Notes	Six months ended 30 June	
		2016 HK\$'000	2015 HK\$'000
Cost of inventories sold		224,538	257,173
Depreciation	10	14,792	16,009
Amortisation of prepaid land lease payments	11	870	944
Research and development costs		13,645	14,468
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		28,259	28,003
Pension scheme contributions		4,327	3,803
Equity-settled share option expenses		404	1,413
		32,990	33,219
Exchange (gains)/loss, net *		(1,314)	1,415
Impairment of trade receivables**	13	(470)	717

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

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

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

7. INCOME TAX EXPENSE

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

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

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

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2016 (Six months ended 30 June 2015: 16.5%). No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits arising in Hong Kong during this period (six months ended 30 June 2015: Nil).

Pursuant to the PRC Income Tax Law and the respective regulations, the company which operates in Mainland China is subject to Corporate Income Tax ("CIT") at a rate of 25% on the taxable income. Preferential tax treatment is available to the Group's principal operating subsidiary, Euro Asia Packaging (Guangdong) Co., Ltd. ("Euro Asia Packaging") (廣東歐亞包裝有限公司), and Botny Chemical (Guangzhou) Limited ("Botny chemical") (廣州保賜利化工有限公司) since they were recognised as High Technology Enterprises and are entitled to a preferential tax rate of 15% for the six months ended 30 June 2015 and 2016.

	Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Charge for the period		
Current	14,773	10,237
Deferred	72	(533)
Total tax charge for the period	14,845	9,704

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

8. DIVIDENDS

	Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Proposed interim – HK1.4 cents per ordinary share (2015: Nil)	8,610	—

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

The calculation of basic earnings per share for the period is based on the consolidated profit for the period attributable to the ordinary equity holders of the parent, and on the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted earnings per share amounts is based on the consolidated profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

	Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	56,094	35,450
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue used in the basic earnings per share calculation	626,287,567	421,624,089
Effect of dilution – weighted average number of ordinary shares:		
Share options	130,553,653	7,901,975
Adjusted weighted average number of ordinary shares in issue used in the diluted earnings per share calculation	756,841,220	429,526,064

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

10. PROPERTY, PLANT AND EQUIPMENT

	2016 HK\$'000	2015 HK\$'000
Carrying amount at 1 January	295,907	315,569
Additions	60,345	29,454
Depreciation provided during the period/year	(14,792)	(30,126)
Disposals	(42)	(512)
Exchange realignment	(6,542)	(18,478)
Carrying amount at 30 June/31 December	334,876	295,907

The Group's buildings are located in Mainland China.

The net book value of the Group's property, plant and equipment held under finance leases included in the total amount of plant and machinery amounted to HK\$781,000 and HK\$671,000 as at 31 December 2015 and 30 June 2016.

Certain of the Group's interest-bearing bank borrowings were secured by the Group's buildings with carrying values of HK\$86,982,000 and HK\$20,991,000 as at 31 December 2015 and 30 June 2016 (note 19).

Certain of the Group's interest-bearing bank borrowings were secured by the Group's plant and machinery with carrying values of HK\$84,783,000 and HK\$78,609,000 as at 31 December 2015 and 30 June 2016 (note 19).

11. PREPAID LAND LEASE PAYMENTS

	2016 HK\$'000	2015 HK\$'000
Carrying amount at 1 January	71,274	77,613
Recognised during the period/year	(870)	(1,840)
Exchange realignment	(1,580)	(4,499)
Carrying amount at 30 June/31 December	68,824	71,274
Current portion included in prepayments, deposits and other receivables	(1,741)	(1,780)
Non-current portion	67,083	69,494

Certain of the Group's interest-bearing bank borrowings were secured by the Group's prepaid land lease payments with carrying values of HK\$9,689,000 and HK\$ 14,871,000 as at 31 December 2015 and 30 June 2016 (note 19).

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

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

12. INVENTORIES

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Raw materials	37,895	33,130
Working in process	2,162	3,702
Finished goods	30,499	28,481
	70,556	65,313

13. TRADE AND BILLS RECEIVABLES

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

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

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

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Trade receivables	64,932	58,566
Impairment	(2,498)	(3,032)
	62,434	55,534
Bills receivables	17,421	13,882
	79,855	69,416

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

13. TRADE AND BILLS RECEIVABLES (Continued)

An aged analysis of the trade receivables as at 30 June 2016 and 31 December 2015, based on the invoice date and net of provision is as follows:

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Within 30 days	29,376	23,869
31 to 60 days	14,372	10,255
61 to 90 days	2,967	5,522
Over 90 days	15,719	15,888
	62,434	55,534

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

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
At 1 January	3,032	1,945
Impairment losses recognised	(470)	1,242
Exchange realignment	(64)	(155)
	2,498	3,032

14. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Forward currency contracts	556	424

The Group has entered into various contracts to manage its exchange rate exposure which did not meet the criteria for hedge accounting. Fair value losses of HK\$142,000 (30 June 2015: Fair value gains of HK\$2,915,000) were recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income during the period.

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Non-current assets		
Prepayments for items of property, plant and equipment	10,507	21,242
Current assets		
Prepayments	2,797	7,954
Tax recoverable	231	1,004
Deposits and other receivables	8,346	4,467
	11,374	13,425

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Cash and bank balances	146,597	187,998
Less: Pledged deposits		
Pledged for letter of credit	(3,081)	(2,887)
Pledged for acceptance bill	(5,865)	(5,560)
Cash and cash equivalents	137,651	179,551

Cash dominated in RMB is CNY32,486,801 or HK\$37,903,163 equivalent. The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks' authorisation to conduct foreign exchange business.

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

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

17. TRADE AND BILLS PAYABLES

An aged analysis of the trade payables as at 30 June 2016 and 31 December 2015, based on the invoice date, is as follows:

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Within 30 days	52,375	36,278
31 to 60 days	15,698	14,688
61 to 90 days	639	10,736
Over 90 days	1,311	1,106
	70,023	62,808

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

18. OTHER PAYABLES AND ACCRUALS

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Deposits received from customers	27,879	24,573
Salary and welfare payables	10,263	10,214
Tax payables other than current income tax liabilities	2,343	5,440
Other payables and accruals	14,512	13,747
	54,997	53,974

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

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

19. INTEREST-BEARING BANK BORROWINGS

	As at 30 June 2016			As at 31 December 2015		
	Contractual interest rate	Maturity	HK\$'000	Contractual interest rate	Maturity	HK\$'000
Current						
Finance lease payables (note 20)	4.11%	2016-2017	245	4.11%	2016	241
Interest-bearing bank loans – secured	PBOC base rate*1.10	2016	23,336	PBOC base rate*1.10	2016	23,865
Interest-bearing bank loans – secured	LIBOR/PBOC base rate*1.15	2016	15,336	LIBOR/PBOC base rate*1.15	2016	17,176
			38,917			41,282
Non-current						
Finance lease payables (note 20)	4.11%	2017-2018	253	4.11%	2017-2018	377
Long term interest-bearing bank loans – secured	PBOC base rate/ PBOC base rate*1.15	2018	12,088	PBOC base rate*1.15	2017-2018	19,425
			12,341			19,802
			51,258			61,084

Notes:

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

“LIBOR” stands for London Interbank Offered Rate.

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

19. INTEREST-BEARING BANK BORROWINGS (continued)

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Repayable:		
Within one year or on demand	38,917	41,282
In the second year	12,341	14,377
In the third to fifth years, inclusive	–	5,425
	51,258	61,084

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

	Notes	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Property, plant and equipment	10	99,600	171,765
Prepaid land lease payments	11	14,871	9,689
		114,471	181,454

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

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

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Interest-bearing bank borrowings denominated in		
— Renminbi ("RMB")	49,236	57,417
— United states dollar ("US\$")	1,523	3,049
— HK\$	499	618
	51,258	61,084

The Group has the following undrawn banking facilities:

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Floating rate		
— expiring within one year	144,300	90,995
— expiring over one year	42,935	36,845
	187,235	127,840

The Group's banking facilities amounting to HK\$37,877,000 as at 30 June 2016 (2015: HK\$40,927,000) were guaranteed by Mr. Lin Wan Tsang and Euro Asia Aerosol and Household Products Manufacture Co., Ltd ("Euro Asia Aerosol") (note 28).

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

20. OBLIGATIONS UNDER FINANCE LEASES

The Group leases certain of its motor vehicle for its business operation. The lease is classified as a finance lease and has a remaining lease term of 2 years.

	Minimum lease payments 30 June 2016 HK\$'000	Minimum lease payments 31 December 2015 HK\$'000	Present value of minimum lease payments 30 June 2016 HK\$'000	Present value of minimum lease payments 31 December 2015 HK\$'000
Amounts payable:				
Within one year	258	258	253	253
In the second year	258	258	245	245
In the third to fifth years, inclusive	–	129	–	120
Total minimum finance lease payments	516	645	498	618
Future finance charges	(18)	(27)		
Total net finance lease payables	498	618		
Portion classified as current liabilities (note 19)	(245)	(241)		
Non-current portion (note 19)	253	377		

21. DEFERRED INCOME

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
At 1 January	3,198	3,721
Amortised as income (note 4)	(150)	(315)
Exchange realignment	(69)	(208)
At 30 June/31 December	2,979	3,198
Current portion	(282)	(304)
Non-current portion	2,697	2,894

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

22. ISSUED CAPITAL

	Notes	Number of ordinary shares of HK\$0.01	Nominal value of ordinary shares HK\$
Authorised:			
At 1 January 2015		404,865,000	4,048,650
Placing shares on 12 May 2015	(a)	49,800,000	498,000
Placing shares on 16 June 2015	(b)	41,174,000	411,740
Share options exercised		3,304,000	33,040
Convertible notes converted	(c)	125,000,000	1,250,000
At 31 December 2015 and 1 January 2016		624,143,000	6,241,430
Share options exercised		768,000	7,680
Convertible notes converted	(d)	8,000,000	80,000
At 30 June 2016		632,911,000	6,329,110

- (a) 49,800,000 placing shares have been successfully placed to not less than six placees at the placing price of HK\$2.41 per placing share on 12 May 2015 pursuant to the placing agreement entered into by the Company on 28 April 2015.
- (b) On 8 June 2015, the Company entered into the placing and subscription agreement with Wellmass and the placing agent pursuant to which Wellmass agreed to place, through the placing agent, on a best endeavour basis, up to 80,000,000 placing shares to not less than six placees at a price of HK\$2.28 per placing share and Wellmass conditionally agreed to subscribe for up to the same number of new shares at the subscription price of HK\$2.28 per new shares.

41,174,000 new shares were allotted and issued to Wellmass on 16 June 2015 at the subscription price of HK\$2.28 per new share.

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

22. ISSUED CAPITAL *(continued)*

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

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

- (d) On 22 March and 5 May 2016, the Company received a formal notice from the Vendor for the exercise of the conversion rights attached to the convertible notes in the amount of HK\$3,240,000 and HK\$5,400,000 respectively at the Conversion Price of HK\$1.08 per Conversion Share. The portion of the convertible notes of which the conversion rights are being exercised represents approximately 1.11% of the convertible notes with a principal amount of HK\$780,000,000 held by the Vendor. In accordance with the Conversion requirement, 8,000,000 Conversion Shares have been resolved to be allotted and issued by the Company to the Vendor on 22 March and 5 May 2016.

23. SHARE OPTION SCHEME

Pre-IPO Share Option Scheme

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

A summary of option movements during the period is presented below:

	Six months ended 30 June 2016	
	Weighted average exercise price HK\$ per share	Number of options
At beginning of period	0.7	7,157,000
Forfeited during the period	0.7	(540,000)
Exercised during the period	0.7	(768,000)
At end of period	0.7	5,849,000

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

23. SHARE OPTION SCHEME *(continued)*

Pre-IPO Share Option Scheme *(continued)*

The Group recognised share option expenses of HK\$327,000 in the six months ended 30 June 2016 (six months ended 30 June 2015: HK\$1,413,000).

768,000 share options were exercised during the period. As at 30 June 2016, the Company had 5,849,000 share options outstanding under the Pre-IPO Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 5,849,000 additional ordinary shares of the Company and additional share capital of HK\$58,490 and share premium of HK\$ 5,790,510 (before share issue expenses).

At the date of approval of these interim condensed consolidated financial statements, the Company had 11,965,000 share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 2.41% of the Company's shares in issue as at that date.

Share Option Scheme

As at 30 June 2016 and the date of approval of these interim condensed consolidated financial statements, no share option was granted and outstanding under the Share Option Scheme.

24. CONVERTIBLE NOTES

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

The key terms of the convertible notes are as follows:

Principal amount: HK\$780,000,000.

Interest: the convertible notes shall not bear any interest.

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

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

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

Conversion price: HK\$1.08 per share.

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

25. TREASURY STOCK

The Company repurchased a total of 17,618,000 shares at prices ranging from HK\$1.30 to HK\$1.75 per share on The Stock Exchange of Hong Kong Limited during the period. The amount of HK\$28,830,660 in connection with the share repurchase was paid from the distributable profits of the Company. All 17,618,000 shares repurchased had not been cancelled on 30 June 2016.

26. OPERATING LEASE ARRANGEMENTS

As lessee

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

At 30 June 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Within one year	564	821
In the second to fifth years, inclusive	209	302
	773	1,123

27. COMMITMENTS

In addition to the operating lease commitments detailed in note 26, the Group had the following capital commitments at the end of the reporting period:

	30 June 2016 HK\$'000	31 December 2015 HK\$'000
Contracted, but not provided for: Plant and machinery	579	37,135

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

28. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the interim condensed consolidated financial statement, the Group had the following transactions with related parties during the six months ended 30 June 2016:

(1) Recurring transactions

	Notes	Six months ended 30 June	
		2016 HK\$'000	2015 HK\$'000
Sales of products to:			
Euro Asia Aerosol	(i)	1,290	2,903
European Asia Industrial Ltd. ("European Asia Industrial")	(i)	2,460	733
Total		3,750	3,636
Purchase of products from:			
Euro Asia Aerosol	(i)	–	15,166
Operating lease rental expenses charged by:			
Mr. Lin Wan Tsang *	(ii)	48	48

* The director of the Company

- (i) Euro Asia Aerosol and European Asia Industrial are related companies of the Company. The sales and purchases between the companies were made on prices and conditions as mutually agreed;
- (ii) The operating lease rental expenses charged by Mr. Lin Wan Tsang were determined based on the underlying contracts as agreed between the Group and Mr. Lin Wan Tsang.

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

28. RELATED PARTY TRANSACTIONS *(continued)*

(2) Non-recurring transactions

	Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Bank loans guaranteed by:		
Mr. Lin Wan Tsang and Euro Asia Aerosol	–	3,107
Undrawn bank facilities guaranteed by:		
Mr. Lin Wan Tsang	–	25,361
Mr. Lin Wan Tsang and Euro Asia Aerosol	37,877	–
	37,877	25,361

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

(3) Commitments with related parties

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

(4) Compensation of key management personnel of the Group, including directors' remuneration, is as follows:

	Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
Fees	1,414	480
Salaries, allowances and benefits in kind	1,828	1,403
Equity-settled share option expenses	129	635
Pension scheme contributions	78	76
Total compensation paid to key management personnel	3,449	2,594

Notes to the Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2016

29. FAIR VALUE AND FAIR VALUE HIERARCHY

At 31 December 2015 and 30 June 2016, the fair values of the Group's financial assets and financial liabilities approximated to their respective carrying amounts.

Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

The fair values of the financial assets and liabilities are the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

Assets measured at fair value:

As at 30 June 2016

	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Derivative financial instruments	–	556	–	556

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2015: Nil).

30. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements of the Group for 30 June 2016 were approved and authorised for issue in accordance with a resolution of the board of directors on 29 August 2016.

Other Information

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

As at 30 June 2016, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Ruler Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:

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

Name of Directors	Number of Ordinary Shares			Interests in underlying shares Share options (Note 1)	Total	Approximate percentage of the total issued share capital of the Company (Note 2)
	Beneficial owner	Interest of family	Interests in a controlled corporation			
Mr. Lin Wan Tsang ("Mr. Lin")	100,000,000	–	268,000,000 (Note 4)	–	368,000,000	58.14%
Ms. Ko Sau Mee ("Mrs. Lin") (Note 3)	–	100,000,000	268,000,000 (Note 4)	–	368,000,000	58.14%
Mr. Kwok Tak Wang	1,200,000	–	–	800,000	2,000,000	0.31%

Other Information

Notes:

- (1) These represents the awarded shares granted to the Directors under the Pre-IPO Share Option Scheme. Details of the Pre-IPO Share Option Scheme have been disclosed in the above section headed "Pre-IPO Share Option Scheme".
- (2) These percentages have been complied based on the total number of issued shares (i.e. 632,911,000 shares) as at 30 June 2016.
- (3) The interest is held by Mr. Lin, as Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the shares held by Mr. Lin by virtue of the SFO.
- (4) These shares are held by Wellmass International Limited ("Wellmass"), which is wholly and beneficially owned by Mr. Lin. As Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the shares held by Mr. Lin (through Wellmass) by virtue of the SFO.

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

Name of the holder of the convertible bonds	Principal amount of the convertible bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (Note 1)
Mr. Lin (Note 2)	636,360,000	589,222,222	93.09%

Notes:

1. These percentages have been complied based on the total number of issued shares (i.e. 632,911,000 shares) as at 30 June 2016.
2. These convertible bonds were issued by the Company on 8 July 2015 as part of the consideration to the Acquisition. They are unlisted, interest-free and convertible into the shares of the Company at the conversion price of HK\$1.08 per share of the Company. The interest is held by Mr. Lin, as Mrs. Lin is the spouse of Mr. Lin, Mrs. Lin is deemed to be interested in all the shares held by Mr. Lin by virtue of the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective associates had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at 30 June 2016, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

Other Information

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

As at 30 June 2016, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(i) Long Position in the Shares

<u>Name of shareholders</u>	<u>Capacity/Nature of interests</u>	<u>Number of Shares held</u>	<u>Approximate percentage of issued share capital of interests in the Company</u> (Note 1)
Wellmass (Note 2)	Beneficial owner	268,000,000	42.34%

Notes:

- (1) These percentages have been compiled based on the total number of issued shares (i.e. 632,911,000 shares) as at 30 June 2016.
- (2) Wellmass is a company incorporated in the BVI, and is solely and beneficially owned by Mr. Lin, the chairman of the Company and an executive Director. Mrs. Lin is the spouse of Mr. Lin and is therefore deemed to be interested in all the Shares held by Mr. Lin (through Wellmass) by virtue of the SFO.

Save as disclosed above, as at 30 June 2016, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in this report, there was no contract of significance to which the Company or any of its subsidiaries was a party and in which Director(s) had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the six months ended 30 June 2016 and up to the date of this report, none of the Directors or any of their respective close associates has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.



Other Information

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above and "PRE-IPO Share Option Scheme" below, at no time during the six months ended 30 June 2016 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective close associates nor was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective associates to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2016, (i) 8,000,000 new ordinary Shares of HK\$1.08 each and 768,000 new ordinary Shares of HK\$0.70 each were issued upon conversion of convertible notes and exercise of share options by option holders under the Pre-IPO Option Scheme respectively; and (ii) 17,618,000 ordinary Shares were repurchased and the repurchased ordinary Shares were cancelled in July 2016.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2016.

PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

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

Other Information

PRE-IPO SHARE OPTION SCHEME

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

Initially, options to subscribe for an aggregate of 17,490,000 Shares had been granted to certain executive and non-executive Directors, members of the senior management and other employees of our Group, representing approximately 2.76% of the total issued share capital of the Company as at 30 June 2016. No further options will be issued by the Company pursuant to the Pre-IPO Share Option Scheme. The exercise price per Share is HK\$0.70, which is equivalent to 70% of the offering price per Share. All options granted under the Pre-IPO Share Option scheme on or before 20 June 2013 may be exercised in the following manner:

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

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

Other Information

PRE-IPO SHARE OPTION SCHEME (Continued)

Set out below is further information on the outstanding options granted under the Pre-IPO Share Option Scheme as at 30 June 2016:

Name of grantees	Number of share options				Subscription price per Share HK\$	Weighted average closing price of the Share before the date(s) of which shares options were exercised HK\$
	Outstanding as at 1 January 2016	Forfeited during the period	Exercised during the period	Outstanding as at 30 June 2016		
Directors						
Kwok Tak Wang	1,400,000	–	600,000	800,000	0.7	1.28
Chamlong Wachakorn (Note 1)	2,450,000	–	–	2,450,000	0.7	–
Sub-total	3,850,000	–	600,000	3,250,000		
Senior Management						
Xu Wei	400,000	400,000	–	–	0.7	–
Zuo Jie Hao	400,000	–	–	400,000	0.7	–
Zhang Yao Ping	400,000	–	–	400,000	0.7	–
Sub-total	1,200,000	400,000	–	800,000		
Others						
Employees	2,107,000	140,000	168,000	1,799,000	0.7	1.28
Total	7,157,000	540,000	768,000	5,849,000		

Note:

- Mr. Chamlong Wachakorn resigned as an executive director of the Company on 26 May 2016 and it was resolved that the exercise period of his share options be extended to 25 May 2018.

During the period, there were 768,000 share options were exercised and 540,000 share options were forfeited while none of the share options were granted, lapsed and cancelled under the Pre-IPO Share Option Scheme.

Further details of the Pre-IPO Share Option Scheme are set out in note 23 to the consolidated financial statements.

Other Information

SHARE OPTION SCHEME

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

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

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

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

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors are set out below:

- Mr. Yip Wai Man Raymond was appointed as chairman of audit committee of the Company (the "Audit Committee") on 30 June 2016.
- Ms. Guo Yang was appointed as chairman of remuneration committee of the Company (the "Remuneration Committee") on 30 June 2016.

AUDIT COMMITTEE

The Audit Committee was established on 20 June 2013 with terms of reference (amended on 31 December 2015) in compliance with the Corporate Governance Code as set out in Appendix 14 (the "CG Code") to the Listing Rules for the purpose of making recommendations to the Board on the appointment and removal of the external auditors, reviewing the financial statements and related materials and providing advice in respect of the financial reporting process, and overseeing the risk management and internal control procedures of the Group. The Audit Committee now comprises four members, all being independent non-executive Directors, namely, Mr. Yip Wai Man Raymond (Chairman), Mr. Chung Yi To, Ms. Guo Yang and Dr. Lin Tat Pang. The Group's accounting principles and practices, financial statements and related materials for the period had been reviewed by the Audit Committee.

The Audit Committee has reviewed, with the management, the accounting principles and policies adopted by the Group, and discussed the unaudited condensed consolidated financial statements matters of the Group for the six months ended 30 June 2016 and recommended its adoption by the Board.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 June 2013 with terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board on the overall remuneration policy and structure relating to the Directors and senior management of the Group, reviewing and evaluating their performance in order to make recommendations on the remuneration package of each of the Directors and senior management personnel as well as other employee benefit arrangements. The Remuneration Committee comprises a total of six members, being four independent non-executive Directors, namely, Mr. Guo Yang (Chairman), Mr. Chung Yi To, Mr. Yip Wai Man Raymond and Dr. Lin Tat Pang; one executive Director, namely, Mr. Lin Wan Tsang and one non-executive Director, namely, Mr. Kwok Tak Wang.



Other Information

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) was established on 20 June 2013 with terms of reference in compliance with the CG Code for the purpose of reviewing the Board composition, making recommendations to the Board on the appointment of Directors and the management of the Board succession. The Nomination Committee comprises four independent non-executive Directors, namely, Dr. Lin Tat Pang (Chairman), Mr. Chung Yi To, Ms. Guo Yang and Mr. Yip Wai Man Raymond; one executive Director, namely, Mr. Lin Wan Tsang and one non-executive Director, namely, Mr. Kwok Tak Wang.

RISK MANAGEMENT COMMITTEE

The risk management committee of the Company (the “Risk Management Committee”) was established on 20 June 2013, comprising three independent non-executive Directors, namely, Mr. Chung Yi To (Chairman), Dr. Lin Tat Pang and Mr. Yip Wai Man Raymond; and the non-executive Director, namely Mr. Kwok Tak Wang. The Risk Management Committee is mainly responsible for assisting the Board in overseeing the Group’s (i) risk governance structure; and (ii) hedging policies regarding its activities in forward purchases of aluminum ingots and entering into foreign currency forward contracts.

The Risk Management Committee has reviewed the hedging policies regarding its activities in forward purchases of aluminum ingots and entering into foreign currency forward contracts statements of the Group for the six months ended 30 June 2016 and is of the opinion that the Group has complied with the hedging policy.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the period under review, the Company has complied with the code provisions set out in the CG Code in Appendix 14 to the Listing Rules except CG Code provision A.2.1.

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors’ knowledge, information and belief, the Company had maintained sufficient public float of not less than 25% of its total issued shares as required under the Listing Rules for the six months ended 30 June 2016 and to the date of this report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its code of conduct regarding Directors’ securities transactions. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code for the six months ended 30 June 2016.



Other Information

DIVIDENDS

The Board has resolved to declare an interim dividend of HK1.4 cents per ordinary share for the six months ended 30 June 2016 (2015: Nil) to be payable to the shareholders of the Company whose names appear on the register of members of the Company on 15 September 2016 and such payment is expected on or around 14 October 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 13 September 2016 to 15 September 2016, both days inclusive, during the period no transfer of shares will be registered. In order to qualify for the interim dividend of HK1.4 cents per ordinary share of the Company, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share register 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 12 September 2016.

By order of the Board

Lin Wan Tsang

Chairman & Executive Director

Hong Kong
29 August 2016