



2020

FIRST QUARTERLY REPORT

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

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8291

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

SUMMARY

- Revenue for the three months ended 31 March 2020 amounted to approximately RMB4.5 million (three months ended 31 March 2019: approximately RMB19.7 million), representing a decrease of approximately 77.0% as compared with corresponding period.
- Loss attributable to owners of the Company for the three months ended 31 March 2020 amounted to approximately RMB2.7 million while profit attributable to owners of the Company for the three months ended 31 March 2019 amounted to approximately RMB0.4 million.
- Basis loss per share for the three months ended 31 March 2020 amounted to approximately RMB3.43 cent while basic earnings per share for the three months ended 31 March 2019 amounted to approximately RMB0.53 cent (restated).

UNAUDITED FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) of Wan Cheng Metal Packaging Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2020 together with the comparative figures in 2019 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2020

	Notes	Three months ended 31 March	
		2020 RMB'000 (unaudited)	2019 RMB'000 (unaudited)
Revenue	2	4,532	19,740
Cost of sales		(4,246)	(14,982)
Gross profit		286	4,758
Other income and gains	2	34	133
Selling expenses		(338)	(495)
Administrative and other expenses		(1,970)	(3,123)
Finance costs		(754)	(697)
(Loss)/profit before income tax		(2,742)	576
Income tax expense	3	–	(149)
(Loss)/profit for the period		(2,742)	427
Other comprehensive income for the period:			
<i>Item that may be subsequently reclassified to profit and loss:</i>			
Exchange differences on translating foreign operations		758	1,304
		758	1,304
Total comprehensive (loss)/income for the period		(1,984)	1,731

		Three months ended 31 March	
Notes		2020 RMB'000 (unaudited)	2019 RMB'000 (unaudited)
(Loss)/profit for the period attributable to:			
		(2,742)	427
		–	–
		(2,742)	427
Total comprehensive (loss)/income for the period attributable to:			
		(1,984)	1,731
		–	–
		(1,984)	1,731
(Loss)/earnings per share attributable to owners of the Company for the period			
			0.53
	5	(3.43)	(restated)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

Equity attributable to owners of the Company												
	Share capital	Share premium	Statutory reserve fund	Capital reserve	Share option reserve	Exchange reserve	Other reserve	Property revaluation reserve	Retained earnings/ (Accumulated losses)	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2019 (Audited)	3,372	87,552	3,826	7,200	5,863	4,027	(35,783)	-	17,152	93,209	-	93,209
Profit for the period	-	-	-	-	-	-	-	-	427	427	-	427
Other comprehensive income:												
Exchange difference on translating foreign operations	-	-	-	-	-	1,304	-	-	-	1,304	-	1,304
Total comprehensive income for the period	-	-	-	-	-	1,304	-	-	427	1,731	-	1,731
At 31 March 2019 (Unaudited)	3,372	87,552	3,826	7,200	5,863	5,331	(35,783)	-	17,579	94,940	-	94,940
At 1 January 2020 (Audited)	3,372	87,552	3,826	7,200	8,599	5,237	(35,783)	7,772	(11,750)	76,025	(10)	76,015
Loss for the period	-	-	-	-	-	-	-	-	(2,742)	(2,742)	-	(2,742)
Other comprehensive income:												
Exchange difference on translating foreign operations	-	-	-	-	-	758	-	-	-	758	-	758
Total comprehensive loss for the period	-	-	-	-	-	758	-	-	(2,742)	(1,984)	-	(1,984)
At 31 March 2020 (Unaudited)	3,372	87,552	3,826	7,200	8,599	5,995	(35,783)	7,772	(14,492)	74,041	(10)	74,031

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the manufacturing and sales of tinplate packaging products in the People's Republic of China (the "PRC") and Hong Kong.

The unaudited condensed consolidated financial statements for the three months ended 31 March 2020 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of unaudited condensed consolidated financial statements for the three months ended 31 March 2020 are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2019 except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "New and Revised HKFRSs") (which include add HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on the unaudited condensed consolidated financial statements for the three months ended 31 March 2020 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the three months ended 31 March 2020. The Group has not applied any new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements for the three months ended 31 March 2020 have been prepared on the historical cost basis. The functional currency of the Company is Hong Kong dollar ("HK\$"). The unaudited condensed consolidated financial statements for the three months ended 31 March 2020 are presented in Renminbi ("RMB") instead of its functional currency as RMB is the principal currency of the economic environment on which the Group operates. All values are rounded to the nearest thousands, except when otherwise indicated.

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

2. REVENUE/OTHER INCOME AND GAINS

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

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

	Three months ended 31 March	
	2020 RMB'000 (unaudited)	2019 RMB'000 (unaudited)
Revenue from tinplate packaging products	4,532	19,740
Other income and gains:		
Sale of scrap materials	31	133
Others	3	–
	34	133

3. INCOME TAX EXPENSE

	Three months ended 31 March	
	2020 RMB'000 (unaudited)	2019 RMB'000 (unaudited)
Current income tax		
Provision for the period	–	149

No Hong Kong profits tax was provided as the Group has no estimated assessable profits for the three months ended 31 March 2020 and 2019.

The subsidiaries of the Company established in the PRC are subject to the PRC Enterprise Income Tax ("EIT"). EIT has been provided at the rate of 25% on the estimated assessable profits arising in the PRC for the three months ended 31 March 2020. The Group had no material unrecognised deferred tax as at 31 December 2019 and 31 March 2020.

4. DIVIDEND

The Board does not recommend the payment of an dividend for the three months ended 31 March 2020 (2019: Nil).

5. (LOSS)/EARNINGS PER SHARE

The (loss)/earnings per share for the period are calculated based on the following data:

	Three months ended 31 March	
	2020 RMB'000 (unaudited)	2019 RMB'000 (unaudited)
(Loss)/profit attributable to owners of the Company for the purpose of calculating earnings per share	(2,742)	427

	Number of shares Three months ended 31 March	
	2020 '000 (unaudited)	2019 '000 (unaudited)
Weighted average number of ordinary shares for the purpose of calculating earnings per share	80,000	80,000 (restated)

The calculation of (loss)/earnings per share attributable to owners of the Company is based on the loss for the period of approximately RMB2,742,000 (2019: profit of RMB427,000) and the weighted average number of ordinary shares of 80,000,000 (2019: 80,000,000, as adjusted to reflect the share consolidation which effective on 15 April 2020) in issue during the period, as adjusted to reflect the share consolidation effective on 15 April 2020.

No diluted earnings per share is calculated for the three months ended 31 March 2020 and 2019 as there was no dilutive potential ordinary share in existence.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ACTIVITIES

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

BUSINESS REVIEW AND PROSPECT

During the three months ended 31 March 2020, the Group derived the revenue principally from the sale of tinplate packaging products in the PRC and Hong Kong. The major products were tin cans and steel pails, which are generally used for storing paint and coatings.

The Group recorded a decrease in revenue by approximately RMB15.2 million, or approximately 77.0%, from approximately RMB19.7 million for the three months ended 31 March 2019 to approximately RMB4.5 million for the three months ended 31 March 2020, which was mainly due to the decrease in sales order of the Group’s products which may cause by the uncertainties under shadow of China-United States trade war and the outbreak of COVID-19, and the decrease in average selling price of the Group’s products due to the keen competition in the industry during the three months ended 31 March 2020.

The results for the period under review became loss of approximately RMB2.7 million from profit of approximately RMB0.4 million for the three months ended 31 March 2019.

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

As part of its strategy to expand its market share, the Group will attend certain exhibition for coatings and coating related products. The Group also plans to expand the sales team with experienced staff in order to focus on the soliciting of new customers for its product portfolio. Despite of the uncertainties of China-United States trade war and outbreak of COVID-19, the Group aim to achieve stable growth and reduce the concentration risk in any single customer group by the expansion of the customer base.

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

FINANCIAL REVIEW

Revenue

During the three months ended 31 March 2020, the Group derived the revenue principally from the sale of tinplate packaging products in the PRC and Hong Kong. The Group generally recognises revenue from the sales of tinplate packaging products upon delivery of the products to the customers with their acceptance of the Group's products.

The Group recorded a decrease in revenue by approximately RMB15.2 million, or approximately 77.0%, from approximately RMB19.7 million for the three months ended 31 March 2019 to approximately RMB4.5 million for the three months ended 31 March 2020, which was mainly due to the decrease in sales order of the Group's products which may cause by the uncertainties under shadow of China-United States trade war and the outbreak of COVID-19, and the decrease in average selling price of the Group's products due to the keen competition in the industry during the three months ended 31 March 2020.

Cost of sales

Cost of sales mainly comprised the cost of tinplate coil, tinplate processing costs, ancillary materials and consumables, staff costs, depreciation, utilities and repair, and maintenance costs. The cost of sales decreased by approximately RMB10.8 million, or approximately 71.7% from approximately RMB15.0 million for the three months ended 31 March 2019 to approximately RMB4.2 million for the three months ended 31 March 2020. Such decrease was consistent with the decrease in revenue.

Gross profit and gross profit margin

Gross profit decreased from approximately RMB4.8 million for the three months ended 31 March 2019 to approximately RMB0.3 million for the three months ended 31 March 2020.

Gross profit margin decreased from approximately 24.1% for the three months ended 31 March 2019 to 6.3% for the three months ended 31 March 2020. The decrease was mainly due to the decrease in average selling price of the Group's products for the three months ended 31 March 2020 as compared to the three months ended 31 March 2019.

Other income and gains

Other income and gains mainly represents the sales of scrap materials, interest income from bank deposits and bad debt recovered, which decreased from approximately RMB133,000 for the three months ended 31 March 2019 to approximately RMB34,000 for the three months ended 31 March 2020.

Selling expenses

The Group's selling expenses mainly included transportation costs for its logistic team, staff costs, entertainment expenses and consumables decreased to approximately RMB338,000 from approximately RMB495,000 for the three months ended 31 March 2019. Such decrease was mainly due to the decrease of transportation cost which consistent with decrease of sales orders.

Administrative and other expenses

The Group's administrative and other expenses mainly included staff costs, building administrative fees, other tax expenses, depreciation and amortization, travelling and entertainment, office consumables and supplies, legal and professional fees, listing expenses and other miscellaneous administrative expenses. The Group recorded a decrease in administrative and other expenses by approximately RMB1.1 million, or approximately 36.9%, from approximately RMB3.1 million for the three months ended 31 March 2019 to approximately RMB2.0 million for the three months ended 31 March 2020.

Finance costs

The Group's finance costs mainly comprised of interest expenses on bank borrowings and discounted bills receivables and bank charges. The finance costs remained stable at approximately RMB0.7 million and RMB0.8 million for the three months ended 31 March 2019 and 2020 respectively.

(Loss)/profit for the period

The result for the period under review became loss of approximately RMB2.7 million from profit of approximately RMB0.4 million for the three months ended 31 March 2019 which mainly due to the decrease of gross profit.

Dividends

The Board does not recommend the payment of interim dividend for the three months ended 31 March 2020.

CONTINGENT LIABILITIES

As at 31 March 2020, there were no significant contingent liabilities for the Group.

SIGNIFICANT INVESTMENTS HELD

Except for investment in its subsidiaries, the Group did not hold any significant investment for the three months ended 31 March 2020.

FOREIGN EXCHANGE EXPOSURE

The Group's main operations are in the PRC with most of its transactions settled in RMB. The Directors are of the opinion that the Group's exposure to foreign exchange risk is insignificant. During the three months ended 31 March 2020, the Group did not hedge any exposure to foreign exchange risk.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this first quarterly report, the Group did not have other plans for material investments or capital assets as of 31 March 2020.

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

As at 31 March 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long position in the shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held/interested in	Approximate percentage of shareholding
Ms. Liang Yingjun ("Ms. Liang") (Note 1)	Interest in spouse	24,975,000*	31.22%

* The number of shares is adjusted to reflect the share consolidation which effective on 15 April 2020.

Note:

1. Ms. Liang is the spouse of Mr. Liang Jianxun ("**Mr. JX Liang**"). Mr. JX Liang beneficially owns 50% of the issued share capital of Fortune Time Enterprises Limited ("**Fortune Time**"). By virtue of the SFO, Mr. JX Liang is deemed to be interested in 24,975,000 shares held by Fortune Time Enterprises Limited. Therefore, Ms. Liang is deemed to be interested in the shares in which Mr. JX Liang is interested in for the purpose of the SFO.

Save as disclosed above, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2020, the interests and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in shares of the Company

Name	Capacity/Nature of interest	Number of shares held/interested in	Approximate percentage of shareholding
Fortune Time (Note 1)	Beneficial owner	24,975,000*	31.22%
Mr. JX Liang (Note 1)	Interest in a controlled corporation	24,975,000*	31.22%
Ms. Liang Zhimei (Note 1)	Interest in a controlled corporation	24,975,000*	31.22%
Mr. Zhang Zhiwei (Note 1)	Interest in a controlled corporation	24,975,000*	31.22%
Mr. Luo Yuanying (Note 2)	Interest of spouse	24,975,000*	31.22%
Ms. Yu Xianghong (Note 3)	Interest of spouse	24,975,000*	31.22%

* The number of shares is adjusted to reflect the share consolidation which effective on 15 April 2020.

Notes:

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

SHARE OPTION SCHEME

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

Up to the date of this report, 16,000,000 share options were granted by the Company pursuant to such Share Option Scheme, 8,000,000 share options were lapsed or cancelled and no share options were exercised. The options are unlisted. Up to date of this report, the Company has 8,000,000 total outstanding share options under the share option scheme. Each option gives the holder the right to subscribe for one share of HK\$0.05 each of the Company.

Category of participants	Date of grant	Outstanding as at 1 January 2020	Number of share options*				Outstanding as at 31 March 2020	Exercisable period	Exercise price per share (HK\$)
			Granted during the three months ended 31 March 2020	Exercised during the three months ended 31 March 2020	Lapsed/ cancelled during the three months ended 31 March 2020	Forfeited during the three months ended 31 March 2020			
Employees	17 April 2018	6,400,000	-	-	-	-	6,400,000 <i>(note (i))</i>	10 years	1.875
	10 April 2019	7,200,000	-	-	-	-	7,200,000 <i>(note (ii))</i>	10 years	0.78
Consultants	17 April 2018	1,600,000	-	-	-	-	1,600,000 <i>(note (iii))</i>	10 years	1.875
	10 April 2019	800,000	-	-	-	-	800,000 <i>(note (iv))</i>	10 years	0.78

* The number of options is adjusted to reflect the share consolidation which effective on 15 April 2020.

Notes:

- (i) The share options have been granted to 8 employees and each of them hold 800,000 share options. Up to the date of this report, 6,400,000 share options has been lapsed.
- (ii) The share options have been granted to 9 employees and each of them hold 800,000 share options. Up to the date of this report, 800,000 share options has been lapsed.

- (iii) The share options have been granted to consultant A and consultant B and each of them hold 800,000 share options.

Pursuant to the service agreement entered into the Company and consultant A, consultant A make use of her connections and networks in finding potential customers for the Company which is considered as Consultant of our Group in the corporate management area.

Pursuant to the service agreement entered into the Company and consultant B, consultant B make use of his connections and networks in finding potential customers for the Company which is considered as Consultant of the Group in the corporate management area.

Up to the date of this report, each of consultant A and consultant B introduced not less than 10 new customers to the Group and 800,000 share options granted to consultant A has been lapsed.

- (iv) The share options have been granted to consultant C.

Pursuant to the service agreement entered into the Company and consultant C, consultant C make use of her professional knowledge and experience to monitor and improve the production efficiency for the Company which is considered as Consultant of the Group in the technical area.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2020.

DIRECTORS' INTERESTS IN CONTRACTS

As at 31 March 2020, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

As at 31 March 2020, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

DIRECTORS' SECURITIES TRANSACTIONS

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

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

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

EVENTS AFTER THE REPORTING PERIOD

- (a) On 21 February 2020, the directors proposed to implement the consolidation of every five issued and unissued ordinary shares of HK\$0.01 each into one ordinary share with par value of HK\$0.05 each. Details of the share consolidation are disclosed in the Company's announcements dated 21 February 2020 and 5 March 2020 and the Company's circular dated 30 March 2020.

The share consolidation has been effective on 15 April 2020.

- (b) Since January 2020, the outbreak of Novel Coronavirus ("**COVID-19**") has impact on the global business environment. Pending the development and spread of COVID-19 subsequent to the date of this report, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

AUDIT COMMITTEE

Pursuant to Rule 5.28 and 5.29 of the GEM Listing Rules, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Wong Sui Chi (chairman), Ms. Hua Min and Ms. Xiao Ping, all of whom are independent non-executive Directors.

The Audit Committee had reviewed with the management of the Company the accounting principles and practices adopted by the Group and this report. The condensed consolidated financial results for the three months ended 31 March 2020 are unaudited, but have been reviewed by the Audit Committee.

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

Hong Kong, 14 May 2020

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