

# 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)

## THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

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

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*This announcement, 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 GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.*

\* For identification purposes only

## SUMMARY

- Revenue for the nine months ended 30 September 2017 amounted to approximately RMB73.1 million (nine months ended 30 September 2016: approximately RMB84.2 million), representing a decrease of approximately 13.2% as compared with corresponding period.
- Profit attributable to owners of the Company for the nine months ended 30 September 2017 amounted to approximately RMB2.6 million while profit attributable to owners of the Company for the nine months ended 30 September 2016 amounted to approximately RMB4.5 million.
- Basic earnings per share for the nine months ended 30 September 2017 amounted to approximately RMB0.80 cent while basic earnings per share for the nine months ended 30 September 2016 amounted approximately RMB1.50 cent.

## UNAUDITED THIRD 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 and nine months ended 30 September 2017 together with the comparative figures in 2016 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2017

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)	2017 RMB'000 (unaudited)	2016 RMB'000 (unaudited)
<b>Revenue</b>	2	<b>16,355</b>	29,857	<b>73,143</b>	84,233
Cost of sales		<b>(13,107)</b>	(21,504)	<b>(54,760)</b>	(58,740)
<b>Gross profit</b>		<b>3,248</b>	8,353	<b>18,383</b>	25,493
Other income and gains	2	<b>(66)</b>	399	<b>158</b>	692
Selling expenses		<b>(473)</b>	(503)	<b>(1,382)</b>	(1,353)
Administrative and other expenses		<b>(3,618)</b>	(3,735)	<b>(11,334)</b>	(14,269)
Finance costs		<b>(701)</b>	(685)	<b>(1,962)</b>	(1,747)
<b>(Loss)/profit before income tax</b>		<b>(1,610)</b>	3,829	<b>3,863</b>	8,816
Income tax expense	3	<b>1,049</b>	(1,166)	<b>(1,259)</b>	(4,320)
<b>(Loss)/profit for the period</b>		<b>(561)</b>	2,663	<b>2,604</b>	4,496
<b>Other comprehensive (loss)/income for the period:</b>					
<i>Item that may be subsequently reclassified to profit and loss</i>					
Exchange differences on translating foreign operations		<b>(1,384)</b>	(7)	<b>(1,852)</b>	338
		<b>(1,384)</b>	(7)	<b>(1,852)</b>	338
<b>Total comprehensive (loss)/income for the period attributable to the owners of the Company</b>		<b>(1,945)</b>	2,656	<b>752</b>	4,834
<b>(Loss)/earnings per share attributable to owners of the Company for the period</b>					
— basic and diluted (RMB cents)	5	<b>(0.14)</b>	0.89	<b>0.80</b>	1.50

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Equity attributable to owners of the Company							Total
	Share capital	Share premium	Statutory	Capital reserve	Exchange reserve	Merger reserve	Retained earnings	
			reserve fund					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2016 (Audited)	4,811	—	3,203	7,200	2,551	—	21,906	39,671
Profit for the period	—	—	—	—	—	—	4,496	4,496
Other comprehensive income for the period	—	—	—	—	338	—	—	338
<b>Total comprehensive income for the period</b>	—	—	—	—	338	—	4,496	4,834
Arising from reorganisation	(4,811)	—	—	—	—	4,811	—	—
Issue of shares upon the reorganisation	2,505	38,089	—	—	—	(40,594)	—	—
Transfer to statutory reserve fund	—	—	623	—	—	—	(623)	—
<b>At 30 September 2016 (Unaudited)</b>	<b>2,505</b>	<b>38,089</b>	<b>3,826</b>	<b>7,200</b>	<b>2,889</b>	<b>(35,783)</b>	<b>25,779</b>	<b>44,505</b>
At 1 January 2017 (Audited)	2,505	38,089	3,826	7,200	3,607	(35,783)	28,627	48,071
Profit for the period	—	—	—	—	—	—	2,604	2,604
Exchange difference on translating foreign operation	—	—	—	—	(1,852)	—	—	(1,852)
<b>Total comprehensive (loss)/income for the period</b>	—	—	—	—	(1,852)	—	2,604	752
Issue of shares by way of share offer	867	47,785	—	—	—	—	—	48,652
<b>At 30 September 2017 (Unaudited)</b>	<b>3,372</b>	<b>85,874</b>	<b>3,826</b>	<b>7,200</b>	<b>1,755</b>	<b>(35,783)</b>	<b>31,231</b>	<b>97,475</b>

## 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").

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2017 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 nine months ended 30 September 2017 are consistent with those adopted in the preparation of accountants' report included in the prospectus of the Company dated 29 June 2017 (the "Prospectus") 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 nine months ended 30 September 2017 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the nine months ended 30 September 2017. 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 nine months ended 30 September 2017 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 nine months ended 30 September 2017 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		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from tinplate packaging products	<u>16,355</u>	<u>29,857</u>	<u>73,143</u>	<u>84,233</u>
Other income and gains:				
Interest income from bank deposits	4	24	96	54
Sale of scrap materials	260	291	329	398
Bad debt recovery	—	—	—	81
Others	<u>(330)</u>	<u>84</u>	<u>(267)</u>	<u>159</u>
	<u>(66)</u>	<u>399</u>	<u>158</u>	<u>692</u>

## 3. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax				
Provision for the period	<u>(1,049)</u>	<u>1,166</u>	<u>1,259</u>	<u>4,320</u>

No Hong Kong profits tax was provided as the Group has no estimated assessable profit for the nine months ended 30 September 2017 and 2016.

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 nine months ended 30 September 2017 and 2016. The Group had no material unrecognised deferred tax as at 31 December 2016 and 30 September 2017.

## 4. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2017 (2016: Nil).

## 5. (LOSS)/EARNINGS PER SHARE

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company for the purpose of calculating (loss)/earnings per share	<u>(561)</u>	<u>2,663</u>	<u>2,604</u>	<u>4,496</u>

	Number of shares			
	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating (loss)/earnings per share	<u>400,000</u>	<u>300,000</u>	<u>327,306</u>	<u>300,000</u>

The number of ordinary shares for the purpose of calculating basic (loss)/earnings per share has been determined on the assumption that the reorganisation issue as disclosed in the Prospectus had been effective on 1 January 2016.

No diluted earnings per share is calculated for the three months and nine months ended 30 September 2017 and 2016 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. 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 nine months ended 30 September 2017, the Group derived the revenue principally from the sale of tinplate packaging products in the PRC. The major products were tin cans and steel pails, which are generally used for storing paint and coatings.

The Group recorded a decrease in revenue by approximately RMB11.1 million, or approximately 13.2%, from approximately RMB84.2 million for the nine months ended 30 September 2016 to approximately RMB73.1 million for the nine months ended 30 September 2017, which was contributed by the drop in the average selling price of the Group’s tinplate packaging products.

The profit for the period under review decreased by approximately RMB1.9 million, or approximately 42.1%, from approximately RMB4.5 million for the nine months ended 30 September 2016 to approximately RMB2.6 million for the nine months ended 30 September 2017. Excluding the non-recurring listing expenses of approximately RMB7.1 million and approximately RMB3.1 million incurred for the nine months ended 30 September 2016 and 2017, respectively, profit for the nine months ended 30 September 2016 and 2017 would be approximately RMB11.6 million and RMB5.7 million, respectively. Such decrease was mainly due to the decrease in gross profit for the nine months ended 30 September 2017.

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

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

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

As part of its strategy to expand its market share, the Group will attend certain exhibition for coatings and coating related products. The Group also plans to expand the sales team with experienced staff in order to focus on the soliciting of new customers for its product portfolio. The Group aims 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.

### **Comparison of Business Objectives with Actual Business Progress and Use of Proceeds from the share offer**

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

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

As at 30 September 2017, the Group had utilised (i) approximately HK\$11.1 million as deposits to the new production line; (ii) approximately HK\$2.4 million to supplier for upgrading the production line; (iii) approximately HK\$9.2 million to bank for repayment of bank loan; and (iv) approximately HK\$0.9 million as daily operation cost including salary and rental payment and approximately HK\$1.2 million as deposit paid to supplier for raw materials. The Group will strive to achieve the milestone events as stated in the Prospectus. As at 30 September 2017, the unused proceed of approximately HK\$8.6 million was placed in the bank accounts of the Group.

### **Financial Review**

#### ***Revenue***

During the nine months ended 30 September 2017, the Group derived the revenue principally from the sale of tinplate packaging products in the PRC. The Group generally recognises revenue from the sales of tinplate packaging products upon delivery of the products to the customers with their acceptance of the Group's products.

Revenue from the sales of tin cans dropped by approximately RMB3.6 million, or approximately 8.2%, from approximately RMB43.9 million for the nine months ended 30 September 2016 to approximately RMB40.3 million for the nine months ended 30 September 2017. Such decrease was mainly due to the decrease in average selling price during the nine months ended 30 September 2017.

Revenue from the sales of steel pails, which have relatively higher average selling price per unit than tin cans, decreased by approximately RMB4.4 million, or approximately 13.5%, from approximately RMB32.5 million for the nine months ended 30 September 2016 to approximately RMB28.1 million for the nine months ended 30 September 2017. Such decrease was mainly due to the slightly drop in customer orders and average selling price during the nine months ended 30 September 2017.

### ***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 RMB4.0 million, or approximately 6.8% from approximately RMB58.7 million for the nine months ended 30 September 2016 to approximately RMB54.8 million for the nine months ended 30 September 2017. Such decrease was mainly due to the lower average cost of tinplate coils consumed for our production and slightly drop in customer orders during the nine months ended 30 September 2017 as compared to the nine months ended 30 September 2016.

### ***Gross profit and gross profit margin***

Gross profit decreased from approximately RMB25.5 million for the nine months ended 30 September 2016 to approximately RMB18.4 million for the nine months ended 30 September 2017.

Gross profit margin decreased from approximately 30.3% for the nine months ended 30 September 2016 to 25.1% for the nine months ended 30 September 2017. The decrease was mainly due to the decrease in average selling price of the Group's products for the nine months ended 30 September 2017 as compared to the nine months ended 30 September 2016.

### ***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 RMB0.7 million for the nine months ended 30 September 2016 to approximately RMB0.2 million for the nine months ended 30 September 2017.

### ***Selling expenses***

The Group's selling expenses mainly included transportation costs for its logistic team, staff costs, entertainment expenses and consumables which remained stable at approximately RMB1.4 million and RMB1.4 million for the nine months ended 30 September 2016 and 2017 respectively.

### ***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 RMB2.9 million,

or approximately 20.6%, from approximately RMB14.3 million for the nine months ended 30 September 2016 to approximately RMB11.3 million for the nine months ended 30 September 2017. Such decrease was mainly due to the lower expenses incurred in the listing process which was almost at final stage in the nine months ended 30 September 2017. Excluding the non-recurring listing expenses of approximately RMB7.1 million and approximately RMB3.1 million incurred for the nine months ended 30 September 2016 and 2017, respectively, the adjusted administrative and other expenses remained relatively stable at approximately RMB7.2 million and RMB8.2 million for the nine months ended 30 September 2016 and 2017 respectively. The changes were mainly due to the increase in professional fee after Listing.

### ***Finance costs***

The Group's finance costs mainly comprised of interest expenses on bank borrowings and discounted bills receivables and bank charges. The finance costs increased by approximately RMB0.2 million, or approximately 12.3%, from approximately RMB1.7 million for the nine months ended 30 September 2016 to approximately RMB1.9 million for the nine months ended 30 September 2017. Such increase was mainly due to the higher discounted rate of bills for the nine months ended 30 September 2017 as compared to the nine months ended 30 September 2016.

### ***Profit for the period***

As a result of the cumulative factors discussed above, the profit for the period under review decreased by approximately RMB1.9 million, or approximately 42.1% from approximately RMB4.5 million for the nine months ended 30 September 2016 to approximately RMB2.6 million for the nine months ended 30 September 2017. Excluding the non-recurring listing expenses approximately RMB7.1 million and approximately RMB3.1 million incurred for the nine months ended 30 September 2016 and 2017 respectively, the (loss)/profit recorded RMB11.6 million for the nine months ended 30 September 2016 and approximately RMB5.7 million for the nine months ended 30 September 2017, respectively. Such decrease was mainly due to the decrease in gross profit for the nine months ended 30 September 2017.

### ***Dividends***

The Board does not recommend the payment of interim dividend for the nine months ended 30 September 2017.

## **CONTINGENT LIABILITIES**

As at 30 September 2017, 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 nine months ended 30 September 2017.

## **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 nine months ended 30 September 2017, the Group did not hedge any exposure to foreign exchange risk.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the Prospectus and in this third quarterly results announcement, the Group did not have other plans for material investments or capital assets as of 30 September 2017.

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

As at the date of this announcement, none of the Directors and chief executive of the Company had any interests and short positions 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.

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

As at the date of this announcement, 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 ( <i>Note 1</i> )	Beneficial owner	277,500,000	69.375%
Mr. Liang Jianheng (“Mr. JH Liang”) ( <i>Note 1</i> )	Interest in a controlled corporation	277,500,000	69.375%
Mr. Liang Jianxun (“Mr. JX Liang”) ( <i>Note 1</i> )	Interest in a controlled corporation	277,500,000	69.375%
Ms. Sharina Liang ( <i>Note 2</i> )	Interest of spouse	277,500,000	69.375%
Ms. Liang Yingjun ( <i>Note 3</i> )	Interest of spouse	277,500,000	69.375%
Century Great Investments Limited (“Century Great”) ( <i>Note 4</i> )	Beneficial owner	22,500,000	5.625%
Mr. Law Sai Hung (“Mr. Law”) ( <i>Note 4</i> )	Interest in a controlled corporation	22,500,000	5.625%

#### Notes:

- Fortune Time is owned as to 50% by each of Mr. JH Liang and Mr. JX Liang. Each of Mr. JH Liang and Mr. JX Liang is deemed to be interested in the Shares held by Fortune Time pursuant to the SFO. Mr. JH Liang was chairman and executive director of the Company which resigned on 2 November 2017.
- Ms. Sharina Liang is the spouse of Mr. JH Liang. Therefore, Ms. Sharina Liang is deemed to be interested in the Shares in which Mr. JH Liang is interested in for the purpose of the SFO.
- Ms. Liang Yingjun is the spouse of Mr. JX Liang. Therefore, Ms. Liang Yingjun is deemed to be interested in the Shares in which Mr. JX Liang is interested in for the purpose of the SFO.
- Century Great is wholly-owned by Mr. Law. Mr. Law is deemed to be interested in the Shares held by Century Great pursuant to 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 announcement, no share option has been granted by the Company pursuant to such Share Option Scheme.

## **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 nine months ended 30 September 2017.

## **DIRECTORS’ INTERESTS IN CONTRACTS**

As at 30 September 2017, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

## **DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ COMPETING INTERESTS**

As at 30 September 2017, 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 announcement.

## **COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES**

The Directors consider that up to the date of this announcement, 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.

## **INTERESTS OF THE COMPLIANCE ADVISER**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Dakin Capital Limited (the “**Dakin Capital**”) as the compliance adviser. The Dakin Capital, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Except for the compliance adviser

agreement entered into between the Company and the compliance adviser dated 20 October 2017, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this announcement.

## **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 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, 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 announcement. The condensed consolidated financial results for the nine months ended 30 September 2017 are unaudited, but have been reviewed by the Audit Committee.

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

Hong Kong, 13 November 2017

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

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