China Aluminum Cans Holdings Limited

中國鋁罐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6898)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2013

ANNUAL RESULTS

The board (the "Board") of directors ("Directors") of China Aluminum Cans Holdings Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2013, together with the comparative figures for the year ended 31 December 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000*
REVENUE	*4*	**260,311**	273,923
Cost of sales		**(163,543)**	(182,769)
Gross profit		**96,768**	91,154
Other income and gains	*4*	**11,699**	5,138
Selling and distribution expenses		**(9,456)**	(9,002)
Administrative expenses		**(42,746)**	(29,318)
Other expenses		**(1,693)**	(521)
Finance costs	*5*	**(5,936)**	(8,154)
PROFIT BEFORE TAX	*6*	**48,636**	49,297
Income tax expense	*7*	**(10,581)**	(8,433)
PROFIT FOR THE YEAR		**38,055**	40,864
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**5,729**	(699)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**43,784**	40,165
Profit attributable to:			
Owners of the Company		**37,343**	38,273
Non-controlling interests		**712**	2,591
		38,055	40,864
Total comprehensive income attributable to:			
Owners of the Company		**42,922**	37,619
Non-controlling interests		**862**	2,546
		43,784	40,165
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic		**HK10.8 cents**	HK12.8 cents
Diluted		**HK10.7 cents**	HK12.8 cents
Final dividends	*8*	**12,000**	–
Special dividends	*8*	**–**	48,542
		12,000	48,542

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**222,923**	201,635
Prepaid land lease payments		**16,969**	16,944
Non-current prepayments		**–**	14,004
Deferred tax assets		**564**	586
Total non-current assets		**240,456**	233,169
CURRENT ASSETS			
Inventories	10	**27,276**	25,462
Trade and bills receivable	11	**53,888**	39,141
Derivative financial instruments	12	**231**	–
Prepayments, deposits and other receivables		**15,943**	6,870
Pledged deposits		**2,871**	2,980
Cash and cash equivalents		**107,372**	2,380
Total current assets		**207,581**	76,833
CURRENT LIABILITIES			
Trade payables	13	**7,505**	4,844
Other payables and accruals		**18,681**	20,784
Interest-bearing bank and other borrowings	15	**64,899**	56,253
Tax payable		**6,634**	6,179
Deferred income		**273**	265
Total current liabilities		**97,992**	88,325
NET CURRENT ASSETS/(LIABILITIES)		**109,589**	(11,492)
TOTAL ASSETS LESS CURRENT LIABILITIES		**350,045**	221,677
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	15	**42,384**	54,465
Deferred income		**3,483**	3,643
Deferred tax liabilities		**1,235**	–
Total non-current liabilities		**47,102**	58,108
Net assets		**302,943**	163,569
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**4,000**	–
Reserves		**283,315**	161,328
Proposed final dividend		**12,000**	–
		299,315	161,328
Non-controlling interests		**3,628**	2,241
Total equity		**302,943**	163,569

NOTES:

1. GENERAL INFORMATION, BASIS OF PRESENTATION AND ACCOUNTING POLICIES

China Aluminum Cans Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the manufacturing and sale of aluminum aerosol cans.

The Company was incorporated in the Cayman Islands on 12 September 2012. as an exempted company with limited liability under the Companies Law of Cayman islands. The registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 July 2013 (the "Listing Date").

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs", which include all International Financial Reporting Standards, International Accounting Standards ("IAS") and Interpretations) issued by the International Accounting Standards Board (the "IASB") and disclosure requirements of the Hong Kong Companies Ordinance.

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

2. IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards — Government Loans*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 — *Transition Guidance*
IFRS 13	*Fair Value Measurement*
IAS 1 Amendments	Amendments to IAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
IAS 19 Amendments	Amendments to IAS 19 *Employee Benefits*
IAS 27 (Revised)	*Separate Financial Statements*
IAS 28 (Revised)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009–2011 Cycle	Amendments to a number of IFRSs issued in May 2012

The adoption of these new and revised standards has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements, except for the following:

IFRS 13 *Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period.

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

3. SEGMENT INFORMATION

For management purposes, the Group operates in one business unit based on its products, and has one reportable operating segment as follows:

The aluminum aerosol cans segment principally engages in the manufacture and sale of aluminum aerosol cans mainly for packaging household chemical products such as medicines, personal care products, air fresheners, insecticides and other chemical products.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

(a) Revenue from external customers

	2013	2012
	HK$'000	*HK$'000*
Mainland China	**147,622**	123,628
United Arab Emirates	**51,036**	75,279
Nigeria	**31,600**	26,364
Other overseas countries	**30,053**	48,652
	260,311	273,923

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2013	2012
	HK$'000	*HK$'000*
Mainland China	**238,671**	232,583
Hong Kong	**1,221**	–
	239,892	232,583

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

Information about a major customer

Revenue of approximately and HK$40,246,000 (2012: HK$41,741,000) was derived from sales to a single customer of the Group, including sales to a group of entities which are known to be under common control with that customer.

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 year.

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

	2013 HK$'000	2012 HK$'000
Revenue		
Sale of goods	**260,311**	273,923
Other income and gains		
Sale of scrap materials	**5,331**	2,687
Bank interest income	**51**	140
Government grants:		
— Related to assets*	**269**	256
— Related to income**	**2,086**	443
Fair value gains, net:		
Derivative instruments — transactions not qualifying as hedges	**227**	–
Exchange gains	**2,689**	980
Others	**1,046**	632
	11,699	5,138

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

** The amount mainly represents rewards or subsidies on interest payments and research compensation received from the local government. There are no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

	2013 HK$'000	2012 HK$'000
Interest on bank loans wholly repayable within five years	**6,690**	8,154
Interest on finance lease	**19**	–
Less: Interest capitalised	**(773)**	–
	5,936	8,154

6. PROFIT BEFORE TAX

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

	Notes	**2013** **HK$'000**	2012 HK$'000
Cost of inventories sold		**163,543**	182,769
Depreciation	*14*	**17,447**	16,302
Amortisation of prepaid land lease payments		**497**	490
Auditors' remuneration		**1,478**	63
Research and development costs		**10,385**	8,564
Minimum lease payments under operating leases		**332**	77
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**24,487**	23,518
Pension scheme contributions		**2,483**	1,274
		26,970	24,792
Donation *		**1,000**	12
Fair value gains, net:			
Derivative instruments — transactions not qualifying as hedges **	*4*	**(227)**	–
Exchange gains, net **	*4*	**(2,689)**	(980)
Gain on disposal of items of property, plant and equipment **		**(778)**	(43)

* Included in "Other expenses" in the consolidated statements of comprehensive income.

** Included in "Other income and gains" in the consolidated statements of comprehensive income.

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.

For the year ended 31 December 2013, no Hong Kong profits tax has been provided as there was no assessable profit arising in Hong Kong. The Company and its subsidiary incorporated in the BVI are exempted from taxation.

Pursuant to the PRC Income Tax Law and the respective regulations, the company which operate 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), since it was recognised as a High and New Technology Enterprise and is entitled to a preferential tax rate of 15% for the year (2012: 15%).

	2013	2012
	HK$'000	*HK$'000*
Charge for the year		
Current — Mainland China	**9,307**	8,377
Current — Hong Kong	**–**	54
Deferred	**1,274**	2
Total tax charge for the year	**10,581**	8,433

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

	2013		2012	
	HK$'000	***%***	*HK$'000*	*%*
Profit before tax	**48,636**		49,297	
Tax at the statutory tax rate	**12,159**	**25**	12,324	25
Entities subject to lower statutory income tax rates	**(5,010)**	**(10)**	(4,925)	(10)
Effect of withholding tax on distributable profits of the PRC subsidiary	**1,200**	**3**	–	–
Expenses not deductible for tax	**1,671**	**3**	1,034	2
Tax losses not recognised	**561**	**1**	–	–
Tax charge at the Group's effective tax rate	**10,581**	**22**	8,433	17

8. DIVIDEND

	2013	2012
	HK$'000	*HK$'000*
Proposed final — HK3 cents per ordinary share	**12,000**	–
Special dividends	**–**	48,542
	12,000	48,542

The special dividend of HK$48,542,000 was approved and declared by the then owners of Euro Asia Packaging and was settled in 2012.

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

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

The calculation of basic earnings per share for the year is based on the consolidated profit for the year attributable to the ordinary equity holders of the parent, and on the weighted average number of ordinary shares in issue during the year, and assuming the capitalisation issue had been completed on 1 January 2012.

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

	2013	2012
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**37,343**	38,273
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue used in the basic earnings per share calculation	**347,123,288**	300,000,000
Effect of dilution — weighted average number of ordinary shares:		
Share options	**2,788,816**	–
Adjusted weighted average number of ordinary shares in issue used in the diluted earnings per share calculation	**349,912,104**	300,000,000

10. INVENTORIES

	2013 *HK$'000*	2012 *HK$'000*
Raw materials	**14,922**	11,877
Finished goods	**12,354**	13,585
	27,276	25,462

11. TRADE AND BILLS RECEIVABLE

	2013 *HK$'000*	2012 *HK$'000*
Trade receivables	**33,590**	21,202
Bills receivable	**20,298**	17,939
	53,888	39,141

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

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

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

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

	2013 *HK$'000*	2012 *HK$'000*
Within 30 days	**17,223**	15,738
31 to 60 days	**10,135**	4,085
61 to 90 days	**2,020**	300
Over 90 days	**4,212**	1,079
	33,590	21,202

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

			Past due but not impaired	
	Total	Neither past due nor impaired	<60 days	Over 60 days
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
31 December 2013	33,590	27,358	2,020	4,212
31 December 2012	21,202	19,823	1,205	174

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

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

None of the Group's interest-bearing bank borrowings were secured by the Group's trade receivables as at 31 December 2013 (2012: HK$18,992,000) (note 15).

Included in the trade receivables were amounts of nil and HK$1,056,000 as at 31 December 2012 and 2013 due from related parties, which are controlled by the Company's ultimate controlling shareholder, have credit term of 60 days.

Transfers of financial assets

Financial assets not derecognised

As at 31 December 2012, certain of the Group's financial assets were transferred to banks or suppliers by discounting or endorsing those bills receivable on a full recourse basis. In the opinion of the Directors, as the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the bills receivable and has recognised the cash received on the transfer as a secured borrowing (see note 15). These financial assets are carried at amortised cost in the Group's consolidated statements of financial position as follows:

31 December 2013

	Bills receivable discounted to banks with full recourse	Bills receivable endorsed to suppliers with full recourse	Total
	HK$'000	***HK$'000***	***HK$'000***
Carrying amount of transferred assets	–	–	–
Carrying amount of associated liabilities	–	–	–
Net position	–	–	–

31 December 2012

	Bills receivable discounted to banks with full recourse *HK$'000*	Bills receivable endorsed to suppliers with full recourse *HK$'000*	Total *HK$'000*
Carrying amount of transferred assets	740	–	740
Carrying amount of associated liabilities	(740)	–	(740)
Net position	–	–	–

Financial assets derecognised

At 31 December 2013 and 2012, the Group also endorsed or discounted certain bills receivable accepted by banks in the PRC (the "Derecognised Bills"), to certain of its suppliers or banks in order to settle the trade payables due to such suppliers (the "Endorsement") with a carrying amount in aggregate of nil and HK$11,863,000, respectively. The Derecognised Bills have a maturity from three to six months at the end of each reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

A maturity analysis of undiscounted cash outflows for the Derecognised Bills was set out below:

31 December 2013

	Total ***HK$'000***	**Less than 1 month** ***HK$'000***	**2–3 months** ***HK$'000***	**4–6 months** ***HK$'000***
Bills receivable	**–**	**–**	**–**	**–**

31 December 2012

	Total *HK$'000*	Less than 1 month *HK$'000*	2–3 months *HK$'000*	4–6 months *HK$'000*
Bills receivable	11,863	821	9,057	1,985

During the year, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The Endorsement has been made evenly throughout the year.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2013	2012
	HK$'000	*HK$'000*
Forward currency contracts	**231**	–

The Group has entered into various contracts to manage its exchange rate exposure which did not meet the criteria for hedge accounting. Net changes in the fair value amounting to HK$231,000 (2012: Nil) were recognised in the consolidated statement of comprehensive income during the year.

13. TRADE PAYABLES

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

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**6,303**	3,096
31 to 60 days	**45**	380
61 to 90 days	**1,027**	834
Over 90 days	**130**	534
	7,505	4,844

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.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings *HK$'000*	Plant and machinery *HK$'000*	Office and other equipment *HK$'000*	Motor vehicles *HK$'000*	Construction in progress *HK$'000*	Total *HK$'000*
31 December 2013						
At 1 January 2013:						
Cost	**49,256**	**202,521**	**3,083**	**4,039**	**601**	**259,500**
Accumulated depreciation	**(12,418)**	**(41,005)**	**(1,726)**	**(2,716)**	**–**	**(57,865)**
Net carrying amount	**36,838**	**161,516**	**1,357**	**1,323**	**601**	**201,635**
At 1 January 2013, net of accumulated depreciation	**36,838**	**161,516**	**1,357**	**1,323**	**601**	**201,635**
Additions	**1,522**	**305**	**858**	**2,011**	**33,473**	**38,169**
Disposals	**–**	**(5,937)**	**(18)**	**–**	**–**	**(5,955)**
Depreciation provided during the year *(note 6)*	**(2,726)**	**(13,511)**	**(682)**	**(528)**	**–**	**(17,447)**
Transfers	**–**	**18,189**	**–**	**–**	**(18,189)**	**–**
Exchange realignment	**1,135**	**4,787**	**299**	**45**	**255**	**6,521**
At 31 December 2013, net of accumulated depreciation	**36,769**	**165,349**	**1,814**	**2,851**	**16,140**	**222,923**
At 31 December 2013:						
Cost	**52,343**	**220,849**	**3,963**	**6,188**	**16,140**	**299,483**
Accumulated depreciation	**(15,574)**	**(55,500)**	**(2,149)**	**(3,337)**	**–**	**(76,560)**
Net carrying amount	**36,769**	**165,349**	**1,814**	**2,851**	**16,140**	**222,923**

	Buildings *HK$'000*	Plant and machinery *HK$'000*	Office and other equipment *HK$'000*	Motor vehicles *HK$'000*	Construction in progress *HK$'000*	Total *HK$'000*
31 December 2012						
At 1 January 2012:						
Cost	48,506	195,436	2,107	4,813	4,369	255,231
Accumulated depreciation	(10,061)	(28,242)	(1,205)	(3,046)	–	(42,554)
Net carrying amount	38,445	167,194	902	1,767	4,369	212,677
At 1 January 2012, net of accumulated depreciation	38,445	167,194	902	1,767	4,369	212,677
Additions	758	2,511	977	282	842	5,370
Disposals	–	–	–	(51)	–	(51)
Depreciation provided during the year *(note 6)*	(2,356)	(12,769)	(521)	(656)	–	(16,302)
Transfers	–	4,610	–	–	(4,610)	–
Exchange realignment	(9)	(30)	(1)	(19)	–	(59)
At 31 December 2012, net of accumulated depreciation	36,838	161,516	1,357	1,323	601	201,635
At 31 December 2012:						
Cost	49,256	202,521	3,083	4,039	601	259,500
Accumulated depreciation	(12,418)	(41,005)	(1,726)	(2,716)	–	(57,865)
Net carrying amount	36,838	161,516	1,357	1,323	601	201,635

The Group's buildings are located in Mainland China.

The net book value of the Group's fixed assets held under finance leases included in the total amount of plant and machinery amounted to HK$1,196,000 as at 31 December 2013 (2012: Nil).

Certain of the Group's interest-bearing bank borrowings were secured by the Group's buildings with carrying values of HK$27,140,000 as at 31 December 2013 (2012: HK$27,967,000) (note 15).

Certain of the Group's interest-bearing bank borrowings were secured by the Group's plant and machinery with carrying values of HK$108,413,000 (2012: HK$98,616,000) (note 15).

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2013 Contractual interest rate (%)	**2013** Maturity	**2013** *HK$'000*	2012 Contractual interest rate (%)	2012 Maturity	2012 *HK$'000*
Current						
Finance lease payables	**4.11%**	**2014**	**226**	–	–	–
Interest-bearing bank loans — secured	**SIBOR**	**2014**	**31,018**	SIBOR+2.5%/2.3%/6.4%	2013	50,819
Current portion of long term bank loans — secured	**SIBOR+2.5%/ PBOC base rate/ PBOC base rate*1.05/ PBOC base rate*1.1**	**2014**	**33,655**	SIBOR+2.5%	2013	5,434
			64,899			56,253
Non-current						
Finance lease payables	**4.11%**	**2015–2018**	**852**	–	–	–
Long term interest-bearing bank loans — secured	**PBOC base rate**	**2015–2016**	**20,812**	SIBOR+2.5%	2014	2,711
Long term interest-bearing bank loans — secured	**SIBOR+2.5%**	**2015–2016**	**6,207**	PBOC base rate *0.9	2014	12,333
Long term interest-bearing bank loans — secured	**PBOC base rate*1.1**	**2015–2016**	**862**	PBOC base rate	2014–2016	30,269
Long term interest-bearing bank loans — secured	**PBOC base rate*1.05**	**2015**	**4,006**	SIBOR+2.5%	2014–2016	9,152
Long term interest-bearing bank loans — secured	**PBOC base rate**	**2015–2017**	**9,645**	–	–	–
			42,384			54,465
			107,283			110,718

Notes:

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

"SIBOR" stands for Singapore Interbank Offered Rate.

	2013	2012
	HK$'000	*HK$'000*
Repayable:		
Within one year or on demand	**64,899**	56,253
In the second year	**22,039**	22,547
In the third to fifth years, inclusive	**20,345**	31,918
	107,283	110,718

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

	Notes	2013	2012
		HK$'000	*HK$'000*
Property, plant and equipment	*14*	**135,553**	126,583
Prepaid land lease payments		**17,474**	17,434
Trade receivables	*11*	**–**	18,992
Bills receivable	*11*	**–**	740
Pledged deposits		**2,871**	2,980
		155,898	166,729

The Group's banking loans amounting to HK$87,126,000 (2012: HK$97,644,000) as at 31 December 2013 were guaranteed by Mr. Lin Wan Tsang, the ultimate controlling shareholder of the Group.

	2013	2012
	HK$'000	*HK$'000*
Interest-bearing bank and other borrowings denominated in		
— Renminbi ("RMB")	**63,163**	43,341
— United States dollars ("US$")	**43,042**	67,377
— HK$	**1,078**	–
	107,283	110,718

The Group has the following undrawn banking facilities:

	2013	2012
	HK$'000	*HK$'000*
Floating rate		
— expiring within one year	**39,938**	99,680
— expiring over one year	**43,735**	52,364
	83,673	152,044

The Group's banking facilities amounting to HK$136,484,000 (2012: HK$171,992,000) as at 31 December 2013 were guaranteed by Mr. Lin Wan Tsang, the ultimate controlling shareholder of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the year ended 31 December 2013 (the "Reporting Period"), our Group is principally engaged in 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. Currently, the Group has a range of extrusion dies available in our inventory 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. Our products are sold in the PRC market and to different countries mainly in the Middle East and Africa. For the year ended 31 December 2013, the Group recorded revenue from the PRC, the Middle East and Africa of HK$147.6 million, HK$59.1 million and HK$36.9 million, accounting for 56.7%, 22.7% and 14.2% of our total revenue respectively.

The Group's overseas revenue had decreased by 25.0% during the Reporting Period, as a result of the competition from smaller overseas aerosol cans manufacturers. However, the increasing urban household disposable income in recent years has led to the substantial growth of China's consumer market, as such the Group's PRC revenue increased by 19.4%. It is forecast that a rising domestic consumption will bring about an increase in spending on various consumer goods including personal care and cosmetic products, which will lead to growing demands for better quality packaging products such as aluminum aerosol cans.

The Group had completed the installation of a pre-owned production line which came into full operation in the third quarter of 2013 and our annual production capacity increased to approximately 260 million cans. We will continue to expand our production capacity and product range in our aluminum packaging business to capture market share.

The Group has taken measures on strengthening our research and development team and cost control in order to improve our profitability. Our Board is highly alert to any changes in the present uncertain global economy, and remains confident on and committed to the continuation of our mission to maintain our leading position in the PRC through innovation and expansion to capture market share so as to deliver sustainable growth and profitability to the Group.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2013, the Group recorded revenue of approximately HK$260.3 million (2012: HK$273.9 million), representing a decrease of approximately 5.0% as compared to the corresponding period of 2012. The decrease in revenue was primarily due to the decrease in sales to the Group's overseas customers.

During the Reporting Period, the Group sold 96.1 million cans (2012: 82.4 million cans) to PRC customers and recorded revenue of HK$147.6 million (2012: HK$123.6 million). Whereas, the Group recorded revenue from overseas customers of HK$112.7 million (2012: HK$150.3 million) for the sale of 84.5 million cans (2012: 104.6 million cans). The increase in the Group's PRC sales was mainly due to the rising demand from our major PRC customers and increase in the sales of aluminum aerosol cans for the packaging of refrigerants.

Cost of Sales

Cost of sales of the Group for the year ended 31 December 2013 was approximately HK$163.5 million (2012: HK$182.8 million), representing a decrease of approximately 10.6% as compared to the corresponding period of 2012. Such change was mainly due to the decrease in the cost of aluminum ingots purchased in the period. The average purchase price of aluminum ingots had decreased by approximately 10.3% from 2012 to 2013.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of transportation expenses and declaration charges for delivery of products to customers, salaries, performance bonuses and employee benefits expenses for the sales and marketing staff, business travel and entertainment expenses, and advertisement and promotion costs. For the year ended 31 December 2013, selling and distribution expenses was approximately HK$9.5 million (2012: HK$9.0 million), representing an increase of approximately 5.6% as compared to the corresponding period of 2012. The increase was primarily due to the increase in advertisement and promotional costs as a result of the expansion of our PRC sales.

Administrative Expenses

Administrative expenses mainly represented the salaries and benefits of the administrative and management staff, research and development expenses, professional consulting fees, depreciation, share option expense and other miscellaneous administrative expenses. For the year ended 31 December 2013, administrative expenses was approximately HK$32.0 million (2012: HK$23.6 million) after excluding a once off listing expenses of approximately HK$10.7 million (2012: HK$5.7 million), representing an increase of 35.6% as compared to the corresponding period of 2012. The increase in administrative expenses was due to (i) share option expense of HK$2.8 million; (ii) an increase in professional and consulting fee of approximately HK$2.4 million, mostly in relation to the renewal of the "High- and New-Technology Enterprise" (高新技術企業) status; and (iii) an increase in research and development expenses of approximately HK$1.8 million.

LIQUIDITY AND CAPITAL RESOURCES

Net Current Assets

As at 31 December 2013, the Group had net current assets of approximately HK$109.6 million (31 December 2012: net current liabilities of HK$11.5 million). As a result of the successful listing of the Company's shares, the Group's cash and cash equivalents had increased from HK$2.4 million as at 31 December 2012 to HK$107.4 million (of which HK$56.1 million, HK$6.5 million and HK$44.8 million are denominated in RMB, US$ and HK$ respectively) as at 31 December 2013. As such, the current ratio of the Group had improved to approximately 2.1 as at 31 December 2013 (31 December 2012: 0.9).

Borrowing and the Pledge of Assets

The bank borrowings of the Group, which were secured by our properties, plant and equipment, land use rights and pledged bank deposits amounted to approximately HK$107.3 million (of which HK$63.2 million, HK$43.0 million and HK$1.1 million and denominated in RMB, US$ and HK$ respectively) as at 31 December 2013 with maturity date from 2014 to 2018 (31 December 2012: HK$110.7 million), in which HK$64.9 million will be expired before 31 December 2014.

Gearing Ratio

As a result of the increase in the Group's reserves in the equity, the gearing ratio, which is calculated by dividing total borrowings by total equity, decreased to approximately 35.4% as at 31 December 2013 (31 December 2012: 67.7%). Further details of the Group's bank borrowings are set out in note 15 of the notes to the audited financial statements.

Contingent Liabilities

As at 31 December 2013, the Group had no significant contingent liabilities.

Contractual Obligations

As at 31 December 2013, the Group's operating lease and capital commitment amounted to HK$0.5 million (31 December 2012: HK$0.3 million) and HK$4,000 (31 December 2012: HK$0.2 million), respectively.

Foreign Exchange Exposure and Exchange Rate Risk

Approximately 43.3% of the Group's revenue for the year ended 31 December 2013 were denominated in US$. However, over 70% of the production costs were settled in RMB. Therefore there is a currency mismatch between US$ revenue and RMB production costs, which give rise to exposure to foreign exchange risk. Furthermore, there is a time lag between invoicing and final settlement from customers of export sales. The Group is exposed to foreign exchange risks if the foreign exchange rate at which the US$ sales proceeds received from export sales is different from the rate at which the Group used to book the US$ sales transactions at the time of sales.

We have entered into foreign currency forward contracts with state-owned banks in the PRC to hedge the foreign exchange risks arising out of the currency mismatch between the US$ sales proceeds from our export sales and our predominantly RMB based operations in the PRC. As a result of the appreciation of RMB against US$, we managed to account for approximately RMB1.5 million of realized gains on the forward contracts for the year ended 31 December 2013.

As at 31 December 2013, we had outstanding foreign currency forward contracts with notional amounts of US$2.1 million. A fair value gain on the outstanding foreign currency forward contracts of approximately HK$0.2 million had been recognized for the year ended 31 December 2013.

Forward Purchase of Aluminum Ingots

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

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

As at 31 December 2013, we had outstanding forward purchases with notional amounts of RMB1.6 million consisting of 125 tonnes of aluminum ingots.

EMPLOYEES AND EMOLUMENTS POLICY

As at 31 December 2013, the Group had employed a total of 416 employees. The staff costs, including directors' emoluments but excluding any contributions to pension scheme, were approximately HK$24.5 million for the year ended 31 December 2013 (2012: HK$23.5 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, 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 year.

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2013, the Group did not have any significant investments.

FUTURE PROSPECT AND DEVELOPMENT

It is expected that the market size of aerosol cans product in PRC will continue to enjoy healthy growth and providing opportunities for the Group to further expand its business and market shares.

In order to capture the growth of demand of aerosol cans products in PRC, expansion of our production capacity is considered necessary. Our planned expansion in production capacity and the construction of a new research and development laboratory is on schedule to be completed by the end of 2014. Our annual production capacity is expected to increase by approximately 30 million cans upon full operation after the expansion.

In the coming year, the Board is optimistic on the economic environment of the PRC, and we will focus on maintaining and developing on the Group's PRC market share. The Board will also consider any investment opportunities which will benefit its shareholders as and when these opportunities arise.

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 period from 12 July 2013 (the "Listing Date") to 31 December 2013, the net proceeds from the Share Offer had been applied as follows:

Business objectives as stated in the Prospectus	**Actual net proceeds**	**Amount utilized up to 31 December 2013**	**Balance as at 31 December 2013**
	HK$ million	*HK$ million*	*HK$ million*
Fund the expansion of the production capacity of the Company	48	–	48
Establish a new research and development laboratory	12	–	12
Repay our US$ denominated bank loan	16	16	–
General working capital	4	4	–
	80	20	60

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

SUBSEQUENT EVENT AFTER THE ANNUAL PERIOD

The following significant events took place after the Reporting Period.

On 7 March 2014, the Company terminated the compliance adviser's agreement entered between the Company and Shenyin Wanguo Capital (Hong Kong) Limited. On the same day, the Company had appointed Guosen Securities (HK) Capital Co., Ltd as the new compliance adviser to the Company.

On 17 March 2014, the Board of Director of the Company declared a cash dividend of HK$12,000,000

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") from the Listing Date up 31 December 2013 except CG Code provision A.2.1.

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

AUDIT COMMITTEE

The audit committee (the "Audit Committee") was established on 20 June 2013 with written terms in line with the CG Code as set out in Appendix 14 to the Listing Rules for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, reviewing the financial statements and related materials and providing advice in respect of the financial reporting process, and overseeing the internal control procedures of the Group. The Audit Committee comprises four members, all being independent non-executive Directors, namely, Mr. Leung Man Fai (Chairman), Dr. Lin Tat Pang, Mr. Chung Yi To and Ms. Guo Yang.

Disclosure of financial information in this announcement complies with Appendix 16 to the Listing Rules. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2013.

REMUNERATION COMMITTEE

The remuneration committee (the "Remuneration Committee") was established on 20 June 2013 with written terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board regarding the Group's policy and structure for all remuneration of Directors and senior management and approving the remuneration package of the individual executive Directors. The Remuneration Committee comprises four independent non-executive Directors, namely, Mr. Leung Man Fai (Chairman), Dr. Lin Tat Pang, Mr. Chung Yi To and Ms. Guo Yang; and one executive Director, Mr. Lin Wan Tsang and the non-executive Director, Mr. Kwok Tak Wang.

NOMINATION COMMITTEE

The nomination committee (the "Nomination Committee") was established on 20 June 2013 with written terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board on the appointment of Directors and the senior management as well as the succession planning of the Board. The Nomination Committee comprises four independent non-executive Directors, namely, Dr. Lin Tat Pang (Chairman), Mr. Chung Yi To, Mr. Leung Man Fai and Ms. Guo Yang; and one executive Director, Mr. Lin Wan Tsang and the non-executive Director, Mr. Kwok Tak Wang.

RISK MANAGEMENT COMMITTEE

The risk management committee (the "Risk Management Committee") was established on 20 June 2013, comprising of three independent non-executive Directors, namely, Mr. Chung Yi To (Chairman), Dr. Lin Tat Pang, Mr. Leung Man Fai; and the non-executive Director, 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 year ended 31 December 2013 and is of the opinion that the Group has complied with the hedging policy.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities from the Listing Date to 31 December 2013.

DIRECTOR’S SECURITIES TRANSACTIONS

The Company has adopted the model code set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. All Directors of the Company have confirmed, following specific enquiry by the Company that they have compiled with the required standard set out in the model code from the listing date to the year ended 31 December 2013.

FINAL DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK3 cents per Share for the year ended 31 December 2013 to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 14 May 2014, subject to the approval of the Company’s shareholders at the forthcoming annual general meeting of the Company to be held on 5 May 2014 (the “AGM”). The final dividend will be payable on or around 11 June 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 29 April 2014 to 5 May 2014, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong with effect from 31 March 2014) for registration not later than 4:30 p.m. on 28 April 2014.

The register of members of the Company will be closed from 12 May 2014 to 14 May 2014, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on 9 May 2014.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 31 March 2014, the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited (the “Branch Share Registrar”), will change its address from 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong to **Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong**. All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (http://www.euroasia-p.com). The annual report of the Company for the year ended 31 December 2013 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Lin Wan Tsang
Chairman & Executive Director

Hong Kong, 17 March 2014

As at the date of this announcement, our executive Directors are Mr. Lin Wan Tsang, Ms. Ko Sau Mee and Mr. Chamlong Wachakorn; and our non-executive Director is Mr. Kwok Tak Wang; and our independent non-executive Directors are Mr. Leung Man Fai, Dr. Lin Tat Pang, Ms. Guo Yang and Mr. Chung Yi To.